



National Treatment for Foreign-Controlled Enterprises

LIST OF MEASURES REPORTED FOR TRANSPARENCY

2017

Adherents to the OECD Declaration on International Investment and Multinational Enterprises undertake to notify the Organisation of all measures constituting exceptions to National Treatment and of any other measures which have a bearing on National Treatment. The Organisation considers the notifications with a view to determining whether each Member is meeting its commitments under the Declaration. The Investment Committee considers these notifications (Third Revised Decision by the Council on National Treatment).

This report publishes the country lists of measures reported for transparency – other than exceptions to national treatment – as of October 2017. Country lists of exceptions to National Treatment are available separately at www.oecd.org/investment/nationaltreatmentinstrument.htm.

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ARGENTINA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Trans-sectoral: In border areas, public services concessions, industrial establishments (with the exception of mining) and the acquisition of real estate are subject to special authorisation by the Superintendency of Frontiers.

Authority: National Defence Law No. 23554 and National Superintendency for Frontiers Resolutions No. 1751/95 and 205/95.

Weapons and ammunition: Weapons and ammunition production for military use in association with “Fabricaciones Militares” by foreign-controlled companies with headquarters producing weapons and ammunition abroad is prohibited.

Authority: 12.709, Article 8.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

a. *Investment by established foreign-controlled enterprises*

b. *Corporate organisation*

Trans-sectoral: A majority of the directors of corporations registered in Argentina must be resident in Argentina.

Authority: Law No.19550, article 256.

Air transport: The president and the majority of the board of directors of domestic and international carriers must be resident in Argentina. Personal partnerships in domestic and international air transport must be controlled by Argentine citizens domiciled in Argentina.

Authority: Law No.17285, articles 99, sections 1, 2, and 3.

c. *Government purchasing*

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Monopolies and Concessions

I. Public monopolies

None.

II. Private monopolies

None.

III. Concessions

a) Federal level:

- Distribution of drinkable water and sewage in the City of Buenos Aires and surrounding local jurisdictions (Great Buenos Aires) serviced by Aguas Argentinas S.A. on an exclusive basis
- Production of hydroelectricity in specific sites is based on exclusive public concessions
- Electricity transportation on specific lay-outs.
- Electricity distribution provided in the City of Buenos Aires and surrounding local jurisdictions by Edenor S.A., Edesur S.A. and Edelap S.A.
- Exploration and exploitation for oil and gas in specific jurisdictions. Gas distribution through networks.
- Port administration (for ports under federal jurisdiction)
- Railway transport on specific lines.
- Subway transport: exclusive concession for City of Buenos Aires.
- Road maintenance on specific roads.

b) State level:

- Hydroelectricity production (exclusive public concession) in specific sites.
- Transportation and distribution (exclusive public concession) in specific areas.
- Distribution of drinkable water and sewage in determined areas (private concession).

AUSTRALIA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Defence: Defence procurement projects may have requirements which involve contractors in using and storing material (i.e. documents or equipment) to which access must be controlled on national security grounds.

Defence technologies: In addition to the above security requirements, some special conditions may apply to a very limited range of selected Australian developed defence technologies under the Australian Ownership and Control of Information (AOCI) policy. Essentially the policy calls for access to designated Australian technologies to be restricted to Australian controlled corporate environments.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

a. *Investment by established foreign controlled enterprises.*

None.

b. *Corporate organisation*

Maritime transport: Capital grants made under the Ships Capital Grants Act are only available to Australian flag vessels. Eligible vessels must meet a number of criteria including that they be Australian flag vessels; the grants are available for new ships.

Foreign Aid: Eligibility for access to funds under AIDAB's non Government Organisation Co-operation Program is restricted to identifiably Australian voluntary, non-for-profit organisations incorporated in Australia. Under the Development Import Finance Facility (DIFF) administered by the Australian International Development Assistance Bureau (AIDAB) grants of aid funds may be made to assist developing countries undertaken high priority public sector projects. DIFF offers of funding may be sought by Australian firms proposing to provide goods and services exported from Australia, an Australian firm being defined as an enterprise incorporated in Australia and carrying on business in Australia.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

a. *Investment by established foreign controlled enterprises.*

Western Australia

Real Estate: The Real Property (Foreign Governments) Act 1931 prevents the Government of a foreign State or Minister or member of any such Government from owning land exceeding 2 hectares without the approval of the Western Australian Parliament. For properties of small size than 2 hectares, the Minister for Lands must approve all purchases by such Governments or individual.

Queensland

Real estate/reporting requirement: Foreign persons or companies acquiring or disposing of an interest in Queensland land or changing their nationality or the land description are required to notify details to the Queensland Register.

Authority: Foreign ownership of Land Register Act 1988.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions¹

At the level of national government

I. Public monopolies

- Postal services (standard letters and telegraph services);
- Basic public switched telecommunication services, leased circuits and mobile telephone services;

¹ None of the sectors reported here are motivated by public order and essential security interests.

- International communications;
- Domestic satellite system;
- Water distribution;
- Passenger rail services;
- International aviation (non-charter services).

II. Private or mixed (public/private) monopolies

None.

III. Concessions

None.

At the level of territorial subdivisions

I. Public monopolies

Distribution of selected primary products (e.g. wheat) in some states.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

None.

AUSTRIA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Foreign investors, other than EU, EEA and Swiss nationals, require prior authorisation from the Federal Minister of Economy, Family and Youth to acquire an interest of 25 percent or more and for the acquisition of a controlling interest in an undertaking which is active in a sector that affects public policy and public security within the meaning of Articles 52 and 65 (1) of the Treaty on the Functioning of the European Union provided that European Union or international law does not conflict with the authorisation obligation.

Authorisation will be granted if the acquisition constitutes no threat to the interests of public policy and public security within the meaning of Articles 52 and 65 (1) of the Treaty on the Functioning of the European Union. When the acquisition process is expected to constitute an actual and serious threat to the said interests, authorisation shall be granted subject to stipulations necessary to eliminate such threat. It will be refused when conditions to eliminate such threat do not suffice.

The following sectors are covered by the prior authorisation requirement:

1. Sectors of Austria's internal and external security, in particular
 - a. defence goods industry,
 - b. security services,
2. Sectors of public policy and public security, including services of public interest and crisis prevention, including, without limitations,
 - a. energy supply,
 - b. water supply,
 - c. telecommunications,
 - d. transport, and
 - e. infrastructure facilities in the field of education and training and in the health services.

Authority: Foreign Trade Act (Außenwirtschaftsgesetz) § 25a, 7 December 2011, Amendment act 25 February 2013.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II.* *Other measures reported for transparency

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I.* *Public monopolies

Post (for pieces weighing up to 50 grams);

II.* *Private or mixed (public/private) monopolies

None.

III.* *Concessions

- Interregional distribution of electricity;
- Transport by air, rail, bus, pipeline;
- Retail sale of pharmaceutical products;
- Gaming, casinos, lotteries, etc;
- Mobile phone;
- Radio and television broadcasting (private license obtainable from a regulator).

At the level of territorial subdivisions

None.

BELGIUM

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Telephone, telegraph and postal services (certain postal services are run by resident and non-resident private undertakings);
- National railways;
- Construction and operation of airports.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

- Transportation of gas;
- Exploration and exploitation of oil and gas.

At the level of territorial subdivisions

I. *Public monopolies*

None.

II. *Private or mixed (public/private monopolies)*

None.

III. Concessions

- Distribution of electricity;
- Local railway and public transport services;
- Mines/Bituminous coal.

BRAZIL

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Real estate: Border areas within 150 kilometres of international frontiers, coastal land and “national security areas” such as the Amazon basin are subject to restrictions on foreign ownership for national security reasons.

Authority: Article 20 of the Federal constitution.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

a. *Investment by established foreign-controlled enterprises*

None.

b. *Corporate organisation*

Trans-sectoral measures: In a firm employing more than three persons, two-thirds of all employees must be Brazilian nationals, receiving two-thirds of the total payroll. Foreign specialists not available locally are excluded from the calculations, as are directors who are not employees. In addition, under Brazilian company law, the foreign managers must be permanent residents in Brazil, essentially for liability reasons in cases of fraudulent actions or fraudulent bankruptcy.

Authority: Labour Code, Chapter II.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

a. Investment by established foreign-controlled enterprises

Ten São Paulo municipalities restrict the purchase of land by foreigners to 750 hectares and require compliance with detailed regulations.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

Mail services: General posting services (e.g. letter, telegrams, etc.) is a Federal monopoly, provided by a State company which can grant franchises to any individual or legal entity established in Brazil. Other mail services (e.g., special delivery) may be provided by private companies, operating in Brazil, under a national treatment regime.

Reinsurance: The opening up of the sector for FDI is under examination by the Government.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

Under the Concessions Law:

- the authority granting a concession must be a public sector legal entity (Federal Government, States, the Federal District or municipalities);
- any partnership or legal entity can be a concessionaire, including state-owned companies. It is possible to create a partnership for the purpose of an auction, especially since that is a way for foreign capital to participate immediately in those public service sectors where such capital is still restricted (telecommunications until 1999);
- all concessions will last for a specific period and be offered through public bidding;
- there are no government subsidies; the concessionaire bears the risk of the concession.
- users participate officially in monitoring the services rendered.

- the concessionaire will no longer be guaranteed a fixed return based on total costs -- a system that promoted inefficiency. Prices fixed through the tendering process are an element in the factors used in choosing the winning bid; prices may be adjusted only in accordance with rules established in the call for bids and in the contract.

Private companies may also provide public services through permits. The conditions are similar to those of a concession, with some exceptions:

- a permit is granted for an undefined period, but may be revoked by the granting authority at any time;
- the granting of a permit does not require a public bidding process;
- private individuals may be granted a permit, but not a concession.

The Concessions Law establishes the rights and obligations of granting authorities, concessionaires or permit holders, and users, as well as fines and penalties.

a) *Federal level*

Energy and natural resources (Gas, ore, nuclear ore and by-products and nuclear energy) : Constitutional Amendment N°6 modified Articles 171 and 176 by eliminating the distinction between “national companies” and “national companies of Brazilian capital” and allowing foreign companies to exploit minerals and hydroelectric power under concessions or permits, according to the national treatment principle. In the case of mining, an authorisation is needed from the Mining and Energy Minister. In the case of energy, an authorisation is needed from the Departamento Nacional de Aguas e Energie Eletrica (DNAEE).

Authority: Law 73 of 21 November 1966; Law 507, art. 11 of 23 April 1992

Oil research, exploration, extraction, refining and transportation: By modifying Article No. 177 of the 1988 Constitution, the Constitutional Amendment N° 9 has opened up the petroleum sector to increased private participation. The Amendment makes it possible, under a regulation to be enacted by the Congress, to private companies, including foreign ones, to undertake research, exploration and extraction of petroleum and natural gas, petroleum refining, import and export of refined petroleum products, and the transport via pipelines and ships of hydrocarbons. It is also possible for the private companies to establish joint-ventures with Petrobras (the state-owned company).

b) *State level*

Distribution of natural gas through pipelines: The Constitutional Amendment N 5 of 16 August 1996 opened the distribution of natural gas through pipelines to national or foreign private firms through public concessions, ending the monopoly on local distribution enjoyed by individual States.

CANADA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Trans-sectoral: The Investment Canada Act (Part IV.1 Investments Injurious to National Security) allows the Canadian government to review foreign investment that could be injurious to national security. Under this Part of the Act, if national security threats associated with investments in Canada by non-Canadians are identified, primarily by Canada's security and intelligence agencies, they will be brought to the attention of the Minister of Industry. Once identified, the Minister of Industry, after consultation with the Minister of Public Safety and Emergency Preparedness is responsible for deciding whether to refer these investments to the Governor in Council (GIC). The GIC is responsible for determining whether a review should be ordered. Once the GIC orders a review, the Minister of Industry, after consultation with the Minister of Public Safety and Emergency Preparedness, conducts the review and, if required, submits a report to the GIC with recommendations. The GIC has the authority to take any measures in respect of the investment that it considers advisable to protect national security.

Authority: Investment Canada Act as amended in March 2009.

b. *Corporate organisation*

None.

c. *Government purchasing*

Canada has agreed to apply the procurement provisions of the North American Free Trade Agreement and the World Trade Organization Agreement. These agreements provide exceptions for procurements that are related to 'public order' and 'national security'. In Canada, government contracting is conducted in a manner that must stand the test of public scrutiny in matters of prudence and probity, facilitate access, encourage competition and reflect fairness in the spending of public funds. However, non-competitive sourcing strategies can be justified for procurements related to public order and national security. In such cases, the provisions of the trade agreements and the Government Contracts Regulations related to invoking the 'exceptions' must be complied with.

Authority: Canada's trade agreements, Government Contracts Regulations and Treasury Board Contracting Policy.

d. *Official aids and subsidies*

None.

II. Other measures reported for transparency

a. Investment by established foreign controlled enterprises.

Services: The Canada Business Corporations Act permits corporations to constrain the issue, transfer, or ownership of shares to Canadians for the express purpose of qualifying under the law of Canada or its provinces. For example, share constraints apply to the acquisition of participation in financial intermediaries and in newspaper publishing and broadcasting. These measures are not retroactive and apply equally to foreign and domestic controlled corporations.

Authority: Canada Business Corporations Act.

Corporate nationality requirements: The Canada Business Corporations Act requires that at least twenty-five percent of the directors of a corporation must be resident Canadians. However, if a corporation has less than four directors, at least one director must be a resident Canadian. If a corporation engages in a prescribed business sector or if a corporation, by an Act of Parliament or by regulation, is required to maintain a specified level of Canadian ownership or control, then a majority of the directors must be resident Canadians. Prescribed sectors include uranium mining; book publishing or distribution; book sales, where the sale of books is the primary part of the corporation's business; and film or video distribution.

Authority: Canada Business Corporations Act.

Patent and trademark agencies: To become a licensed patent or trademark agency, a firm must have on staff a registered agent. Only Canadians or permanent residents of Canada can become registered patent or trademark agents. For the presentation and prosecution of applications for patents or trade-marks before the Patent Office or Trade-Mark Office, a patent agent or trademark agent must be resident of Canada and registered by the Patent Office or Trade-Mark Office. A registered patent agent or trade-mark agent who is not a resident of Canada must appoint a registered patent or trade-mark agent who is resident in Canada as an associate to prosecute an application for a patent or trade-mark.

Authority: Patent Act, R.S. 1985, c. P-4; Patent rules, S.O.R./96-423; Trade-marks Act, R.S.C. 1985, c. T-13, Trade-marks Regulations, S.O.R./96-195.

b. Corporate organisation

Customs brokerages: To become a licensed customs brokerage, a firm must be incorporated in Canada, and a majority of its directors must be citizens or permanent residents of Canada. Only citizens or permanent residents of Canada can become licensed customs brokers.

Authority: Customs Act 1986.

c. Government purchasing

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

a. Investment by established foreign controlled enterprises.

Manitoba

Agriculture: Restrictions on the ownership of farm land for non-Manitoba residents.

b. *Corporate organisation*

Alberta, British Columbia, Ontario

Financial Services: Residence/citizenship requirements for directors.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Post Office (elements of mail services);
- Hydroelectricity;
- Distribution of electricity.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

None.

At the level of territorial subdivisions

I. *Public monopolies*

Distribution of liquor.

II. *Private or mixed (public/private monopolies)*

- Auto insurance and health programmes (in some provinces);
- Telephone services (in the Territories).

III. *Concessions*

None.

CHILE

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Nuclear Energy: The production of nuclear energy for peaceful purposes may only be carried out by the Chilean Nuclear Energy Commission, or, with its authorisation, jointly with third persons. Should the Commission grant such an authorisation, it may determine the terms and conditions thereof.

Authority: Political Constitution of the Republic of Chile, Chapter III. Law 18.097, Official Gazette, January 21, 1982, Constitutional Organic Law on Mining Concessions, Titles I, II and III. Law 18.248, Official Gazette, October 14, 1983, Mining Code, Titles I and II.

Defence Industry: Foreign participation in the defence industries is subject to authorisation by the Ministry of Defence.

Authority: Law 17.798, Official Gazette 13 April 1978; Law 16.319, Official Gazette, 23 October 1965

Maritime transport: For reasons of national security restrictions can be imposed on the operation of foreign-owned vessels flying the Chilean flag.

Authority: Decree Law 2.222, Official Gazette, 31 May 1978, "Navigation Act".

Real estate: Enterprises may not acquire land in the border zone if they are a) are headquartered in the territory of one of Argentina, Bolivia or Peru, b) have a participation of 40% or more from nationals of these countries, or c) are under the effective control of such persons.

Authority: Decree Law 1939, Official Gazette, 10 November 1977

Mining: the exploration, exploitation and treatment of mineral deposits of any kind in sea waters subject to national jurisdictions and in areas classified as important to national security can only be undertaken by private investors through administrative concessions or operating contracts under the conditions established for each case by Presidential decree;

Authority: Political Constitution of the Republic of Chile; Constitutional Organic Law 19.097, of Mining Concessions; Law 18.248, Official Gazette 14 October 1983; Mining Code; Law 16.319, Official Gazette 23 October 1965, creating the Chilean Commission of Nuclear Energy.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

a. Investment by established foreign controlled enterprises

None.

b. Corporate organisation

Trans-sectoral: At least 85% of the personnel of an enterprise with 25 or more employees must have Chilean nationality or have been a resident of Chile for more than five years; persons with technical skills unavailable in Chile are excluded from this calculation.

Authority: Decree Law No. 1 of the Ministry of Labour and Social Security, Official Gazette, 24 January 1994, “Labour Code”

Financial services: Chilean nationality or residency permit for foreigners is required:

- for the directors, administrators, managers or legal representatives of stockbrokers and securities agents;
- for the administrators and legal representatives of firms providing insurance brokerage and claim settlement services;
- for representatives of reinsurance brokers.
- for the partners, administrators, legal representatives, and employees that provide social security advisory services, including brokerage services for contracts related to the pension system of DL3500.

Authority: Law 18,045, Securities Market Law, Title VI, Articles 24, 25 and 27; DFL No. 251, Insurance Law, Title III, Articles 57,58 and 62; Law 20,255, Pension Funds Reform Law, Articles 91 No. 50 and 32º Transitory.

Social Communications Media: Only Chilean nationals may be presidents, administrators, or legal representatives of the juridical person of a written social communication media such as newspapers, magazines, or regularly published texts whose publishing address is located in Chile. The legally responsible director and the director's substitute must be Chilean with domicile and residence in Chile.

Authority: Law 19733, Official Gazette, 6 June 2001, Law on Freedom of Opinion and Information and the Exercise of Journalism, Titles I & II.

Radio-broadcasting: Only Chilean natural persons may be presidents, managers, administrators, or legal representatives of the juridical persons at stake. Also, the majority of the members of the Board of Directors must be Chilean natural persons.

Authority: Law 18,168, Official Gazette, 2 October 1982, General Telecommunications Law, Titles I, II and III; Law 18,838, Official Gazette, 30 September 1989.

Limited television services and television broadcasting: Only Chilean nationals may be presidents, directors, managers, administrators, and legal representatives of the juridical person.

Authority: Law 18.168, Official Gazette, 2 October 1982, General Telecommunications Law, Titles I, II and III Law 18,838, Official Gazette, 30 September 1989, National Television Council, Titles I, II and III. Law 19.733, Official Gazette, June 4, 2001,

Maritime transport and fishing vessels: Chilean nationality is required for:

- the president, manager and majority of the directors or administrators of an enterprise operating a vessel flying the Chilean flag;
- the captain, officers and crew of such vessels (but temporary exceptions can be granted for any of those functions, except that of the captain).
- shipping agents or representatives of ship operators, owners, or captains,

Authority: Decree Law 2222, Navigation Law, Official Gazette, 31 May 1978, Navigation Law.

Stowage and dockage: Chilean nationality is required for the presidents, administrators, managers or directors, and empowered agents (representatives).

Authority: Decree Law 90, 24 January 2000.

Air transport: The president, managers and a majority of the directors of an enterprise operating an aircraft flying the Chilean flag must have Chilean nationality.

Authority: Decree Law 2.564, Official Gazette, 22 June 1979, "Commercial aviation standards"

c. *Government purchasing*

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None

C. Monopolies

I Public Monopolies

Chilean Postal Corporation, only for specific types of postal services.

National Pawning Credit Bureau.

Commercial Bulletin of the Santiago Chamber of Commerce.

Chilean Juridical Press. Only for publication of the official version of the legal codes of the Republic of Chile.

II. Private Monopolies or Concession

Chile has the right of first offer at market prices and terms for the purchase of mineral products when thorium and uranium are contained in significant quantities. Furthermore, only the Chilean Nuclear Energy Commission, or parties authorised by the said Commission, may execute or enter into juridical acts regarding extracted natural atomic materials and lithium, as well as their concentrates, derivatives and compounds.

Concessions are required in: mining, infrastructure projects, electricity, gas, aquaculture, fishing, telecommunications (including radio and television broadcasting) and gaming casinos.

COLOMBIA

A. Measures reported for transparency at the level of national government

I. *Measures based on public order and essential security considerations*

a *Investments by established foreign-controlled enterprises*

Land: Foreigners are not authorised to own land along the Colombian coastlines and in border regions with neighbouring countries, defined as a zone of 2 km of width from the highest tide or from national borders.

Source: Decree No. 1415 of 18 July 1940 as amended, Article 5.

Manufacturing, possession and use of chemicals, biological and nuclear weapons; trade of weapons, ammunition, explosives, raw materials, machinery and appliances for their production: Foreign ownership in these activities is prohibited.

Source: Constitution of 1991, Article 81; Decree No. 2535 of 17 December 1993.

Private security and surveillance services: Partners of corporations have to be Colombian nationals.

Source: Decree No. 356 of 11 February 1994, Articles 8, 12, 23 and 25.

II. *Other measures reported for transparency*

a *Corporate organisation*

Maritime transport: All vessels with a Colombian registration certificate must have a Colombian captain, officers and no less than 80% of remaining crew must be Colombian nationals. Maritime and fluvial transportation between two points with the territory of Colombia (cabotage) can be provided only by enterprises organised under Colombian law and using Colombian flag vessels. Reciprocity conditions may apply under existing bilateral and plurilateral agreements.

Source: Decree 2324 of 18 September 1984, Article 99. Decree 804 of 2001.

Air transport: Only legal persons organised under Colombian law may own and maintain effective control of an airplane registered to supply commercial air services. Differential treatment in aviation may apply to countries under bilateral agreements.

Source: Commercial Code; Decree No. 410 of 1971, Articles 1705, 1803 and 1804.

Newspapers: The director or general manager of a newspaper published in Colombia that focuses on Colombian politics must be a Colombian national.

Source: Law No. 29 of 1994, Article 13.

Radio broadcasting: The director of news must be a Colombian national.

Source: Law No. 74 of 3 November 1966.

B. Measures reported for transparency by territorial subdivisions

None

C. Private or mixed (public-private) monopolies

At the national level

I. Public monopolies

Production, imports, exports, distribution and sale of liquors in Colombia

Games of chance and gambling

Source: Constitution, Article 336; Law No. 14 of 6 July 1983; Decree No. 4692 of 21 December 2005 (regulating Articles 61 and 63 of Law No. 14 of 1983 and Article 51 of Law No. 788 of 2002); Law No. 10 of 10 January 1990.

II. Private monopolies

None

III. Concessions

To obtain a concession, a legal person organised under the laws of another country and with its principal domicile in another country, must establish a branch or other legal form in Colombia. Concessions in some sectors may be subject to the economic needs test.

Source: Commercial Code, Articles 469, 471 and 474.

Measures reported for transparency by territorial subdivisions

None

COSTA RICA

A. Measures reported for transparency at the level of national government

I. *Measures based on public order and essential security considerations*

a) *Investment by established foreign-controlled enterprises*

Land: Territories within a width of 2 kilometres from the borders with Nicaragua and Panama are considered national reserve and as such shall remain under state control. These territories are administered by the Rural Development Institute, and authorisations may be granted for farming, commercial, industrial, housing and public service purposes. In the case of legal entities, if the capital stock is owned by foreigners in more than 50%, its stockholders must have permanent residency status in Costa Rica.

Authorities: Article 7, Law No. 2825 of 14 October 1961. Article 3, Regulation No. 10 of 28 April 2008.

II. *Other measures reported for transparency*

a) *Investment by established foreign-controlled enterprises*

None

b) *Corporate organisation*

Road Transport (freight): Enterprises supplying motorised freight transportation services must be effectively controlled and directed by Costa Rican nationals.

Authority: Article 8, Executive Decree No. 15624 of 28 August 1984.

Transport (water): At least 10% of the crew on Costa Rican registered vessels used for international traffic that call on Costa Rican ports shall be Costa Rican nationals, provided that such trained personnel are available domestically.

Authority: Article 41, Law No. 12 of 22 October 1941.

Mining: Only individuals can constitute mining co-operatives, and 75% of the members of mining co-operatives must be Costa Rican nationals.

Authority: Article 74, Law No. 6797 of 4 October 1982.

c) *Government purchasing*

None

d) Official aids and subsidies

None

B. Measures reported for transparency at the level of territorial subdivisions

None

C. Activities covered by public, private, mixed monopolies or concessions

At the level of national government

I. Public monopolies

- Exploration and exploitation of geothermal activities
- Import, refinery and wholesale distribution of crude oil and its derivatives
- Production and marketing of ethyl alcohol for the elaboration of alcoholic beverages
- Water supply and public sewage services
- Social service of postal communication of letter classified as letters and cards (LC) according to the Universal Postal Union
- Lottery sale services
- Electricity transmission
- Basic traditional telephony (fixed telecommunications)

II. Private or mixed (public/private) monopolies

III. Concessions

- Railroad, road and maritime transport services
- Marinas, docking facilities and airport services
- Radio and television broadcasting services
- Wireless services
- Electricity generation, distribution and commercialisation
- Mining and hydrocarbons exploration
- Irrigation services
- Maritime and air services in national ports
- Collection and treatment services of industrial and solid waste

At the level of territorial subdivisions

None

CZECH REPUBLIC

- A. Measures Reported for Transparency at the Level of National Government**
 - None.
- B. Measures Reported for Transparency at the Level of Territorial Subdivisions**
 - None.
- C. Activities Covered by Public, Private, Mixed Monopolies or Concessions**
 - At the level of national government**
 - I. *Public monopolies***
 - Railway transport
 - II. *Private or mixed (public/private) monopolies***
 - None.
 - III. *Concessions***
 - Minerals, natural medicinal springs including mineral water.
 - At the level of territorial subdivisions**
 - None.

DENMARK

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

a. Investment by established foreign controlled enterprises

Defence: Authorisation must be given from the Ministry of Justice for foreign ownership of enterprises involved in the production of defence material to exceed 40 per cent, or for foreign capital to hold more than 20 per cent of the voting rights in such enterprises.

Authority: Law 503, 7 June 2006.

b. Corporate organisation

Defence: All company directors and at least 80 per cent of the board members must be Danish citizens, unless derogation is granted by the Ministry of Justice.

Authority: Law 503, 7 June 2006.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Postal service concerning letters weighing less than 50 grams;
- Radio and television broadcasting (national level).

II. Private or mixed (public/private) monopolies

None.

III. Concessions

- Radio and television (local);
- Telephone services;
- Distribution of electricity, gas, water;
- Rail transportation;
- Bus transportation.

At the level of territorial subdivisions

None.

EGYPT

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

Foreign investment is not permitted in the defence industry and in activities involving radioactive substances.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Fixed line telecommunication: Telecom Egypt (TE) is Egypt's sole domestic fixed-line operator and sole international operator (Telecommunications Law 10 of 2003).
- Electricity production and distribution: Only minority shares of electricity distribution companies can be held by private shareholders (domestic and foreign). Egyptian electricity production and distribution is controlled by the Egyptian Electricity Holding Company (Electricity Law 18 of 1998).
- Gas distribution: The Egyptian Natural Gas Holding Company (ENGHC) and NATGAS, an Egyptian Joint Stock company, hold a 20-year concession to design, build, operate and manage the national natural gas transportation and distribution network on behalf of the Egyptian General Petroleum Corporation (EGPC).
- Railway transportation (Article 2 of Law 152 of 1980): Private investors (foreign and domestic) may invest in the development of new rail networks but only if these do not compete with the existing government controlled network.
- Postal/delivery services: The Egyptian National Postal Organisation is protected from private competition by a postal agency fee of 10% of the revenues earned by private courier companies from all shipments under 20 kilos.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

The following areas may be subject to concessions from the government or quasi-government bodies:

- Infrastructure;

- Activities in the fields of tourism;
- Oil and gas exploration and development;
- Mobile telecommunication licences.

IV. *Other*

A work permit for foreign natural persons is required from the Government (obtainable at the “one-stop shop”). The number of foreign natural persons employed in any enterprise, regardless of the number of branches, shall not exceed 10% of the total number of persons employed. Companies operating in a free zone may have up to 25% non-Egyptian national employees. These limits can be exceeded if an explicit exemption is received from the government (Law 12 of 2003).

ESTONIA*

A. Measures Reported for Transparency at the Level of National Government

Management boards and branches: At least one half of the members of the management board of public or private limited companies must be resident in Estonia, in another European Economic Area (EEA) country or in Switzerland. At least one director of a branch must be resident in Estonia, the EEA or Switzerland.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Estonian Post AS is a company whose shares are 100% state owned. It has an exclusive right to issue postage stamps.
- Eesti Energia AS is a 100% state-owned energy company that owns the company that owns and maintains the transmission network (OÜ Põhivõrk).
- The provision of pilotage services is reserved to a company founded by the state (AS Eesti Loots).
- AS Eesti Loto, a state-owned lottery company has an exclusive right to arrange lotteries involving prizes above 1000 €.
- AS Eesti Raudtee owns the railway infrastructure.

II. *Private or mixed (public/private monopolies)*

- Eesti Gaas AS by owning gas pipelines.

III. *Concessions*

- Precious metal assaying services is subject to exclusive rights.
- The provision of technical inspection of lifting equipment is granted by an exclusive right to a state owned company.
- The provision of technical inspection of machinery is granted by an exclusive right to a state owned company.

* The position under certain items has been recently modified under the responsibility of the Secretariat upon official notification by the government concerned, pending final endorsement by the OECD Investment Committee.

- Elektriraudtee AS has an exclusive right to provide public transport services with electric trains until 2016.

At the level of territorial subdivisions

I. *Public monopolies*

- District heating utilities by owning stations and networks.

II. *Private or mixed (public/private monopolies)*

- Public transport by granted exclusive rights for limited periods.
- Tallinna Trammi- ja Trollibussikoondise AS has an exclusive right to provide public transport services with trolley buses and trams in the capital Tallinn until 2015.

III. *Concessions*

- Water distribution by granted exclusive rights for limited periods.
- Waste collection by granted exclusive rights for a maximum of three years.

FINLAND

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

a. Investment by established foreign controlled enterprises

On 1 June 2012, Finland's "Act on the Monitoring of Foreigners' Corporate Acquisitions" came into force. The Act establishes a new cross-sectoral review mechanism designed to secure national defense and to safeguard public order and security. The mechanism gives the government the authority to block an acquisition by a foreign – i.e. non-EU and non-EFTA – entity of a domestic business if the government believes that such an acquisition poses threats of "severe damage" to the "fundamental interests" of society.

Authority: Act on the Monitoring of Foreigners' Corporate Acquisitions.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

a. Investment by established foreign-controlled enterprises

Trans-sectoral: Restrictions on the right of establishment and the right to provide services by natural persons who do not enjoy regional citizenship in Åland, or by any legal person, without permission of the competent authorities of the Åland Islands.

Authority: Act on the Autonomy of Åland.

Real Estate: Restrictions on the right for natural persons who do not enjoy regional citizenship in Åland, as well as for legal persons, to acquire and hold real property on the Åland Islands without permission of the competent authorities of the islands.

Authority: Act on the Acquisition of Real Property in Åland.

b. *Corporate organisation*

Limited liability companies: The managing director and at least one member of the board must be residents of an EU state, unless the National Board of Patents and Registration grants an exemption. At least one of the natural person auditors of limited liability companies or branches of foreign enterprises has to be EU resident.

Authority: Companies Act.

Commercial savings and co-operative banks: The managing director and at least one of the founders and one member of the board of directors must be an EU resident (an exception may be granted if prudential requirements are met).

Non-EU credit institutions: The signatory for the branch must be Finnish resident, unless the Financial Supervisory Authority grants an exemption.

Insurance companies: The managing director and at least one of the founders and members of the board of directors (and, in case the insurance company has a supervisory board, one member of the board) of an insurance company must have his or her place of residence in an EU country, unless the Financial Supervisory Authority has granted an exemption.

Pension funds: The founder must have an EU nationality or must be an EU undertaking and must have the place of residence in an EU country, unless the Financial Supervisory Authority has granted an exemption.

Insurance funds: One of the founders must have an EU nationality, must be an EU undertaking or be a foundation whose home member state is an EU country, unless the Ministry of Social Affairs and Health has granted an exemption.

Pension funds or insurance funds: At least one of the members of the board of directors and their substitutes must have their place of residence in an EU state, unless the Financial Supervisory Authority has granted an exemption. The general agent of a pension fund and the managing director of an insurance fund must have his or her place of residence in an EU country, unless the Financial Supervisory Authority has granted an exemption.

Statutory employee pension insurance undertakings: The managing director and at least half of the promoters and members of the board of directors and of the supervisory board must have their place of residence in an EU country, unless the Financial Supervisory Authority has granted an exemption. In the case of promoters, the exemption is granted by the Ministry of Social Affairs and Health.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Rail transport services;
- Football pools, state lotteries with money prizes and totaliser;
- Trade and distribution of liquor.

II. *Private or mixed (public/private) monopolies*

Social security insurance.

III. *Concessions*

None.

At the level of territorial subdivisions

None.

FRANCE

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Manufacturing – Aerospace construction: The French government reserves the right to restrict the conditions governing the creation, expansion or operation of foreign-controlled enterprises engaging in aerospace construction.

Activities affecting the public order, public security and national defence interests. Prior governmental approval is required for foreign-controlled enterprises to invest in the following areas: activities related to interception and detection of communication; evaluation and certification of security systems; activities related to dual-use technologies; cryptology; activities by enterprises privy to classified defence information; production and trade in arms, munitions, gunpowder and explosives for military purposes as well as war materiel; activities by enterprises having concluded research or supply contracts with the Ministry of Defence; research, development and production of means of protection against the illicit use, through terrorist activities, of pathogenous or toxic agents as well as their health impacts; money gambling and casinos; transport; water; energy; electronic communications; public health; activities of vital importance as specified in the Defence Code.

Authority: Code Monétaire et Financier, Articles L151-3 and R153-2; Decree No. 2005-1739 of 30 December 2005; Decree No. 2014-479 of 15 May 2014.

Nuclear energy: The creation of a nuclear power station is subject to prior approval (by a decree of the Prime Minister taken on the basis of a report by the Ministers responsible for nuclear safety).

Authority: Law 2006-686, 13 June 2006.

b. *Corporate organisation*

Agriculture: By law, the directors of agricultural co-operatives must be chosen from among their members and be French nationals, or nationals of an EEA Member State, or nationals of a country with which France has a reciprocity agreement, unless an exemption has been granted by the Minister for Agriculture with the recommendation of the Central Accreditation Commission.

Authority: Article R 524-1 and L 529-2 of the Rural Code.

Press agencies: Only nationals of EU and EEA member countries can be appointed administrators of the Agence France-Presse.

Authority: Article 8, Decree of 9 March 1957.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Railway passenger transport;
- Retail sale of manufactured tobacco is state controlled through commercial intermediaries;
- Gunpowder and explosives;
- Collection, transport and distribution of items of correspondence weighing less than 50 grams and whose postage does not exceed 2½ times the base tariff (to be eliminated from 1 January 2011).

II. Private or mixed (public/private) monopolies

None.

III. Concessions

- Cable networks;
- Mining.

At the level of territorial subdivisions

I. Public monopolies

None.

II. Private or mixed (public/private) monopolies

None.

III. Concessions

A number of public services may be offered as concessions. Practices differ across geographic regions and levels of local government, but some of the most commonly concessioned activities are:

- bus transportation;
- water, heating and sanitary services;
- television cable networks;
- GSM licences;
- sport facilities;
- car parks.

Authority: Ordinance of 17 June 2004 on Public-Private Partnerships.

GERMANY

A. Measures Reported for Transparency at the Level of National Government

a. Investment by established foreign-controlled enterprises

Trans-sectoral: The Federal Ministry of Economics and Technology may, within a period of three months following the conclusion of a contract to acquire direct or indirect ownership of 25% or more in a company, examine the purchase of such a company by a non-EU or non-EEA resident to determine whether the purchase will jeopardise the public policy or public security of the Federal Republic of Germany in the sense of Article 46 para. 1 and Article 58 para. 1 of the EC treaty. If the Federal Ministry of Economics and Technology decides to examine the acquisition of the company within the stipulated period, it issues an administrative act informing the purchaser accordingly and the purchaser is required to send all the documentation concerning the acquisition to the Ministry. After receiving the documentation, the Ministry has two months to prohibit the acquisition or to issue orders, following the Federal Government's consent. The contract remains valid throughout the examination procedure. The investor may request a legally binding certificate of non-objection from the Federal Ministry of Economics and Technology prior to the acquisition. The certificate of non-objection is deemed to have been issued if the Ministry does not launch a formal review within one month of receiving the application for the certificate.

Authority: Thirteenth Act amending the Foreign Trade and Payments Act and the Foreign Trade and Payments Regulation as of 18 April 2009.

Defence: A foreign national or foreign company is obliged to notify to the Federal Ministry of Economics and Technology an acquisition of 25 % or more of a German company which manufactures war weapons according to the War Weapons Control Act or, tank engines or is involved in crypto-technology. Within one month after receiving the notification the Ministry of Economics and Technology may prohibit the acquisition in order to safeguard essential security interests of the Federal Republic of Germany.

Authority: Trade and Payments Ordinance § 52, as of July 2004.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Telecommunication – Since 1998, telecommunication markets have been opened up to competition. Free access to all markets is granted except in the mobile communication sector (licence required due to limited resources);
- Post – Since 1998, postal policy in Germany has been characterised by a step-by step opening up to competition on the letter mail services. The incumbent company (Deutsche Post AG) has an exclusive licence under the Postal Act. At present the Deutsche Post AG has the exclusive privilege of conveying letters up to 100 gram of weight under this licence. Since the beginning of 2006, maximum weight for reserved services has been 50 gram per letter. The licence is expiring 31 December 2007;
- Inland waterways;
- Employment services (labour exchange);
- Lotto.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

- Radio and television broadcasting (in all federal states – *Länder* – which have jurisdiction in this matter, private broadcasting companies need a license. Companies which must be incorporated in Germany, have to meet certain obligations. Foreign-owned and domestic companies are treated alike; the board of directors or the management may be residents or non-residents);
- Long distance freight transport on road is subject to a licensing requirement;
- Passenger transport on regular schedules by bus is subject to a licensing requirement;
- Lotteries and totalisers.

At the level of territorial subdivisions

None.

GREECE

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

None.

II. Other measures reported for transparency

a. Investment by established foreign-controlled enterprises

None.

b. Corporate organisation

Banking: The majority of the members of the governing board of a bank must have Greek or other EU nationality and be permanent residents of Greece.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Rail transport;
- Import and distribution of gas;
- Lotteries.

II. Private or mixed (public/private) monopolies

Local bus transportation on regular routes.

III. Concessions

- Operation of sea and airports;
- Lotteries, football pools and casinos.

At the level of territorial subdivisions

None.

HUNGARY

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Postal services reserved for the universal service provider (items of correspondence and direct mail of a weight not exceeding 50gr provided that the fee for the service is less than two and a half times the fee for the item of correspondence in the first weight step of the fastest standard category within the universal range of services; postal services related to official documents);

Authority: Act CI of 2003 on the Post.

- Air navigation services;

Authority: Decree No. 45 of 2001 (XII.20.) of KöViM (Minister of Transport and Water Management).

- Maintenance and management of the national railway infrastructure;

Authority: Act CLXXXIII of 2005 on Rail Transportation.

II. Private or mixed (public/private) monopolies

- Public utility wholesale of electricity; supply of electricity in the public utility system; operation of the transmission system of the electricity grid

Authority: Act CX of 2001 on Electric Energy.

- Public utility wholesale of natural gas; supply of natural gas in the public utility system; distribution of natural gas through distribution pipeline networks;

Authority: Act XLII of 2003 on Natural Gas;

- Scheduled passenger road transportation by bus;
Authority: Act XXXIII of 2004 on Scheduled Passenger Transportation by Bus.
- Rail transportation of passengers.
Authority: Act CLXXXIII of 2005 on Rail Transportation.

III. Concessions

- National public roads and related engineering structures, canals and regional public utilities;
- Local public roads and engineering structures forming part of the assets of local governments and the operation of local public utilities;
- Mining research and exploitation and related secondary activities;
- Conveyance and storage of products through pipelines;
- Production and sale of radioactive materials;
- Scheduled passenger road transportation by trolley-bus;
- Organisation of gambling, betting, lotteries and other similar activities.

Authority: Act XVI of 1991 on Concessions.*

* These activities may be open to the private sector on a National Treatment basis under the Hungarian Law on Concessions.

ICELAND

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

None.

II. Other measures reported for transparency

a. Investment by established foreign controlled enterprises

None.

b. Corporate organisation

Trans-sectoral: The majority of the founders of limited liability companies must be resident in Iceland for at least one year prior to the foundation of the company. The majority of the board of directors and the managing director of a limited liability company that has been established and is operating in Iceland must be residents. The Minister of Commerce may grant exceptions to these requirements and has done so generally for citizens of OECD member countries. These rules apply to all sectors unless superseded by sector-specific rules.

Authority: Acts on limited liability companies.

Newspaper and magazine publishing: The editor must be an Icelandic resident citizen.

Maritime transport: Ownership of Icelandic flag vessels must be through an enterprise incorporated in Iceland.

c. Government purchasing

None.

d. Official Aids and Subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Postal services;
- Distribution of alcoholic beverages.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

None.

At the level of territorial subdivisions

I. *Public monopolies*

None.

II. *Private or mixed (public/private monopolies)*

None.

III. *Concessions*

- Local electricity utilities have the exclusive right to distribute electricity in their respective areas;
- Local authorities have the exclusive right to operate local central heating utilities in their respective areas but they may transfer the monopoly to another provider;
- One company is designated by the Minister of Industry to undertake all transmission of electricity.

IRELAND

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Postal services;
- Telecommunication services;
- Water, electricity, gas distribution;
- Railways.

II. *Private or mixed (public/private) monopolies*

- Air services;
- Maritime transport.

III. *Concessions*

None.

At the level of territorial subdivisions

None.

ISRAEL

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Defence:

- i) Defence corporations may be subject to an order restricting the holdings of means of control by foreign investors.
- ii) The transfer of defence know-how to a corporation under foreign control is subject to prior approval by the Minister of Defence.

Privatisation: The Ministers' Committee for Privatisation shall decide the process and the conditions for privatisation.

Authority: The Israeli Government Companies Act (1975)

b. *Corporate organisation*

Certain directors, officers and position holders in the licence-holder or in a corporation may be required to be nationals who are residents of Israel in some cases with security clearance and are subject to approval in the following activities:

- Transmission or distribution of electricity or production of a substantial part of electricity.
- Natural gas operator.
- Domestic fixed-line operator.
- Radio and mobile telephone services operator.
- Satellite broadcasting operator.
- International communications services operator.
- Cable broadcasting operator.
- Television and radio operator.
- Israeli airlines.
- Defence corporations.

Authority: Communication Law, Second Authority for Television and Radio Act (1990); Natural Gas Act (1999), Electricity Economy Act (1996), and Licensing of Aviation Services Act (1963).

c. *Government purchasing*

Defence: Enterprises may not be granted certain defence procurement contracts, where overriding security reasons apply, in some cases due to foreign holdings.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

Investment by established foreign controlled enterprises

Trans-sectoral: Only an individual who is a resident of Israel and who is qualified for appointment as a director may be appointed as an outside director, except in companies whose shares are listed abroad.

Authority: Companies Law (1999), Relief for Foreign Companies Regulations

Mutual funds: Employees of mutual fund managers who participate in making decisions about the management of the fund's investment portfolio are required to be Israeli residents if they participate in making decisions with regard to domestic securities.

Authority: Joint Investment Trust Law (1994).

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

In accordance with special laws, the following activities or state-owned enterprises are in a *de jure* or *de facto* monopoly situation:

- Land: Jewish National Fund (Keren Kayemeth LeIsrael)
- Communication:
 - Inland line operator (telephony, transmission data, data communication, infrastructure)
 - ADSL infrastructure
- Transportation
 - Civil airfields operation, except a few airfields handling mainly general aviation, sport aviation and aviation for agricultural purposes that are operated by local municipalities or the private sector
 - Railway

- Environment
 - Israel Nature and National Parks Protection Authority
 - Hazardous Waste Disposal
- Water transmission
- Production and marketing of dairy products

II. Private or mixed (public/private) monopolies

None.

III. Concessions

- Satellite TV
- Public radio channels and regional radio
- Dead Sea mineral exploitation
- Light rail systems
- Oil pipe transport.

At the level of territorial subdivisions

None.

ITALY

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

On 15 May 2012, the Law of 11 May 2012, No 56 entered into effect. It converted in law, with modifications, the Decree-Law of 15 March 2012 and establishes a mechanism for government review of transactions regarding assets of companies operating in the sectors of defence or national security, as well as in strategic activities in the energy, transport and communications sectors. The law also abolishes the former Italian Golden Share Law.

The new law accords special powers to the government in cases where an acquisition or other form or transaction triggers a threat of severe prejudice to essential interests of the State. Special powers can be exercised both towards national or foreign investors or investments, except in case of veto to majority takeovers by buyers from outside the EU in the energy, transport and telecommunications sectors.

In the defence and national security sectors, the Government may act through the exercise of special powers as follows: the imposition of specific conditions on acquisitions of participations in companies engaged in strategic activities; the veto on decisions regarding those companies or ownership structure; the opposition to the acquisition of ownership in such companies by subjects other than the Italian State, Italian public entities or entities under their control, in cases where these acquisitions would lead to voting rights that may compromise interests of defence or national security.

In the sectors of energy, transport and communications the government's special powers consist in: the veto on or the authorisation of, under specific conditions, decisions, acts or operations concerning strategic assets; the imposition of specific conditions to make affective acquisitions by non EU investors of companies owning strategic assets. In exceptional cases and when the above-mentioned acquisition determines control rights, the Government has the right of opposition to the entire acquisition by buyers from outside the EU (in compliance with article 49 of the Treaty of the Functioning of the European Union).

The law further sets out which authorities carry out the risk assessment and the criteria to follow and define timeframes and obligations on companies to provide information to the government about the investment project.

II. *Other measures reported for transparency at the level of national government*

a. *Investment by established foreign-controlled enterprises*

None.

b. Corporate organisation

Air transport: Foreign-controlled enterprises, regardless of the degree of control, may register their aircraft in the national Register on the condition that national interests predominate in their administration and management. Such is the case when the majority of directors, including the chairman and his deputy, as well as two-thirds of the members of the board of directors, are Italian nationals.

Authority: Article 143 of the Navigation Code.

Maritime transport: Foreign-controlled companies, regardless of the level of control, may have their ships entered in the national register on the condition that there is a predominance of national interests in their administration and direction. This is defined as arising when the majority of administrators, including the president and his deputy, as well as the majority of the board of directors, are Italian.

Authority: Article 143 of the Navigation Code.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Postal services and telecommunications
- Distribution of electricity, gas, water and nuclear energy
- Railways

II. Private or mixed (public/private) monopolies

None.

III. Concessions

Television broadcasting at the national level (local broadcasting open to foreign investment).

At the level of territorial subdivisions

I. *Public monopolies*

- Local community public services
- Lotteries etc.

II. *Private or mixed (public/private monopolies)*

None.

III. *Concessions*

None.

JAPAN

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Trans-sectoral: Specific investment plans of foreign controlled enterprises could be altered or suspended when national security, public order or public safety is deemed threatened in such industrial sectors as aircraft, arms, dual-use technologies, nuclear energy, space, electricity utility, gas utility, vaccine, security guard and telecommunications and broadcasting services.

Authority: Foreign Exchange and Foreign Trade Law (Law No.228 of 1949), Articles 27 and 28, as amended in October 2017.

Broadcasting (except Cable Television and Broadcast on Telecommunications Services): Foreigners or foreign-controlled enterprises are not granted licenses to operate broadcasting stations, nor are they approved as broadcasters. Enterprises are considered as foreign-controlled if any of their executive directors is a foreigner or if no less than one-fifth (in the case of terrestrial broadcasting stations, including indirect investment) or one-third ("facility-supplying broadcasters") of voting rights in the aggregate are owned by foreigners.

Authority: Radio Law (1950), Broadcast Law (1950) as amended in April 2008.

b. *Corporate organisation*

Telecommunications: Board members and auditors in NTT and the Regional Companies are required to have Japanese nationality.

Authority: The Law Concerning Nippon Telegraph and Telephone Corporation, etc, 1984.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. Other measures reported for transparency at the Level of National Government

a. Investment by established foreign controlled enterprises.

None.

b. Corporate organisation

Maritime transport: In order to obtain the national flag, companies must be headquartered in Japan and their partners (unlimited partnership) and two thirds or more of their managing directors must be nationals. Without the national flag, vessels may not engage in cabotage.

Authority: Ship Law.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

Tobacco manufacturing.

II. Private or mixed (public/private) monopolies

None.

III. Concessions

None.

At the level of territorial subdivisions

None.

JORDAN

A. Measures reported for transparency at the level of national government

I. Measures based on public order and essential security considerations

None

II. Other measures reported for transparency

a) Investment by established foreign-controlled enterprises

None

b) Corporate organisation

Research and development services (research centre); other business services (advertising agencies, public opinion bureau, printing and publishing); audio-visual services (retail outlets of audio-visual services, motion picture and video-tapes); educational services (adult education centres and cultural centres); insurance agency services; medical labs; travel agencies and tour operator services; air auxiliary services (freight forwarding services, freight inspection services); mining services: management positions are not allowed for non-Jordanian nationals and the managing director of a juridical entity or a branch must be resident in Jordan.

Auditing: Auditing services must be performed through a resident licensed auditor in Jordan (natural person or general partnership). Auditors must be Jordanian nationals.

Architectural and engineering services and construction: For engineering firms, at least 50% of equity must be held by engineers. Architects, engineers (including geological engineers), urban planners and landscape architects must be Jordanian nationals. The number of foreign engineers to be employed by a firm may not exceed twice the number of qualified Jordanian engineers employed by the same firm. Foreign firms are required to train and upgrade the technical and management skills of local employees.

Banking sector: Branches of foreign banks are required to have a resident regional manager.

Medical, hospital and social services (nursing homes, convalescent homes, and rehabilitation centers): At least three quarter of physicians in any hospital or nursing or convalescent homes and at least half of all staff must be Jordanian nationals. Physicians, as well as veterinarians and pharmacists, must be Jordanian nationals. One of the owners must be a physician except in a public limited company.

Real estate services: real estate agents and licensed surveyors must be Jordanian nationals.

Advertising services: Jordanians should be a majority in the board of directors in limited liability companies.

Distribution services: For commission agent's services (including insurance), access is restricted to Jordanian companies with a Jordanian majority on the board of directors.

c) *Government purchasing*

None

d) *Official aids and subsidies*

None

B. Measures reported for transparency at the level of territorial subdivisions

None

C. Activities covered by public, private, mixed monopolies or concessions

At the level of national government

I. Public monopolies

- National Electric Power Company – NEPCO (transmission company in electric power sector)
- Jordan Post
- Aqaba Railways
- Water authorities: Water Authority of Jordan, Jordan Water Company (Miyahuna) and Amman Governorate Water Authority

II. Private or mixed (public/private) monopolies

State-trading companies with special and exclusive privileges, including exclusive trading rights:

Phosphate Mines Company

Jordan Petroleum Refinery Company

The State has maintained a minority stake in three major enterprises (the Arab Potash Company, Jordan Phosphate Mines Company and Royal Jordanian Airlines Company).

III. Concessions

All investments in public utilities are generally subject to concessions. In sectors where service provision is granted by concessions, commercial establishment must be in the form of public shareholding companies.

Source: Schedule of specific commitments, Jordan-United States Free Trade Agreement, entered into force in 2001.

At the level of territorial subdivisions

None

KAZAKHSTAN

A. Measures reported for transparency at the level of national government

I. *Measures based on public order and essential security considerations*

a) *Investments by established foreign-controlled enterprises*

Trans-sectoral

Pursuant to the 2012 National Security Law, which takes a broad definition of national security by encompassing economic security, foreign investment activities can potentially be limited or banned in unidentified areas due to national security considerations. Furthermore, in accordance with the Civil Code and the Law on State Property, discriminatory decision may be taken by the government which may restrict the freedom of owners of strategic objects, defined as a property of social and economic importance, to sell them to locally-established foreign-controlled enterprises.

Authority: Law on National Security № 527-IV of 6 January 2012, as amended; Civil Code (Article 193-1); and Law on State Property № 413-IV of 1 March 2011, as amended (Article 188-3).

Agricultural land and forests in border areas

Agricultural land immediately adjacent (3-km zone) to the protected zone of the state border of the Republic of Kazakhstan can only be leased by citizens and legal entities of the Republic of Kazakhstan. Foreigners and foreign legal entities shall not lease or own agricultural land in this zone.

Authority: Land Code dated 20 June 2003 № 442-II, as amended (Articles 23 and 24).

b) *Corporate organisation*

None.

c) *Government purchasing*

None.

d) *Official aids and subsidies*

None.

II. Other measures reported for transparency

a) Corporate organisation

Cross-sectoral

Foreigners are prohibited to establish as individual entrepreneurs.

Authority: Entrepreneurial Code of the Republic of Kazakhstan № 375-V of 29 October 2015.

Maritime transport

Under the Shipping Law, cabotage shall be performed by vessels flying the national flag or the flag of another country (Caspian sea country) subject to authorisation by the government.

Authority: Law of the Republic of Kazakhstan № 284-II "On Merchant Shipping" of 17 January 2002. Law of the Republic of Kazakhstan № 574-II "On Inland Water Transport" of 6 July 2004.

Banking, insurance and other financial services

Foreign banks and insurance companies as well as foreign companies providing brokerage services are not allowed to open branch offices. They may open a representative office with the permission of the competent authority.

In accordance with the Law № 422-V ZRK "On amendments and addenda to certain legislative acts of the Republic of Kazakhstan on the issues of non-performing loans and assets of the second-tier banks; on rendering financial services and activities of the financial institutions and the National Bank of the Republic of Kazakhstan" of 24 November 2015 starting from 16 December 2020 non-resident banks, insurance (reinsurance) companies and companies providing brokerage services will be allowed to open a branch in the territory of Republic of Kazakhstan, subject to terms and conditions established by the legislation of the Republic of Kazakhstan taking into account commitments undertaken in the Schedule of specific commitments on trade in services.

Authority: Law of the Republic of Kazakhstan № 2444 of 31 August 1995 "About banks and banking activity in the Republic of Kazakhstan, as amended; Law of the Republic of Kazakhstan № 126-II of 18 December 2000 "On insurance activities", as amended; Law № 422-V "On amendments and addenda to certain legislative acts of the Republic of Kazakhstan on the issues of non-performing loans and assets of the second-tier banks; on rendering financial services and activities of the financial institutions and the National Bank of the Republic of Kazakhstan" of 24 November 2015.

Banking and insurance

Resident and non-resident legal entities (as well as individuals) may act as founders, or be shareholders of local insurance companies or banks. However, entities registered in certain offshore countries determined by the Government (listed in Resolution № 145 dated 2 October 2008, as amended), or their individual shareholders cannot be founders or shareholders of a local insurance company or a bank. This restriction does not however apply

to insurance companies or banks that have a minimal international credit rating of BBB or equivalent (foreign currency rating, international scale).

Authority: Banking Law № 2444 adopted on 31 August 1995, as amended (Articles 29 and 17), and Resolution № 385 of the National Bank of Kazakhstan (24 December 2012), as amended; Law on insurance companies № 126-II adopted on 18 December 2000, as amended (Articles 33 and 21); Resolution № 145 dated 2 October 2008 of the Board of Agency of Republic of Kazakhstan on Regulation and Supervision of Financial Market and Financial Organisations "On approval of the list of offshore zones for the purposes of banking and insurance activities, activities of professional participants of securities market and other licensed types of activities in the securities market, activity of accumulative pension funds and joint stock investment funds", as amended.

Other finance

Resident and non-resident legal entities (as well as individuals) can set up and be shareholders of companies providing specialised services on financial markets (securities dealing, stock brokerage services, underwriting new issues) and of investment funds, provided they are not controlled by legal entities registered in offshore jurisdictions (as listed in the Government Resolution № 145). This restriction does not apply to companies that are subsidiaries of non-resident companies that have a minimum long-term credit rating of BBB on foreign currency (as rated by international ratings agencies listed in Resolution № 385).

Authority: Law on Securities № 461-II adopted on 2 July 2003, Article 47, paragraph 2 and Law on investment funds № 576-II adopted on 7 July 2004, Article 2 paragraph 8. Resolution № 385 of the National Bank of Kazakhstan dated 24 December 2012, as amended.

Non-resident asset management companies can offer asset management services for pension funds if they respect minimal financial rating criteria and are not controlled by entities from offshore jurisdictions.

Authority: Law on Pension Provision №105-V adopted on 21 June 2013, as amended.

b) Key personnel

Cross-sectoral

Limits on employment of foreign staff apply to each employee category. There are four categories for which the permits' issuance and renewal conditions are defined: executive and their deputies (Category I), managers and specialists (Category II); specialists (Category III); and skilled workers (Category IV):

- Foreign staff in the first (executives and their deputies) and second (managers and specialists) categories is limited to 30 %;
- Foreign staff in the third (specialists) and fourth (qualified workers) categories is limited to 10%.

In addition, the number of foreign transferees (i.e. foreigners transferred in a Kazakhstani affiliate of their employer) shall be not more than 50% of the relevant staff category (managers and specialists) in each company (with respect to executives, this limitation does not apply).

Authority: Law of the Republic of Kazakhstan "On Employment" № 482-V dated 6 April 2016; the Government Decree of the Republic of Kazakhstan of 13 January 2012 № 45 « Rules and conditions for Hiring Foreign Workers » (as last amended on 31 March 2016); the Law of the Republic of Kazakhstan № 477-IV "On Migration of Population" of 22 July 2011 (as last amended on 6 April 2016); the Law of the Republic of Kazakhstan № 2337 "On the Legal Status of Foreigners" of 19 June 1995 (as last amended on 24 November 2015).

Sector-specific

Certain professional activities can be performed by citizens of Kazakhstan only:

Maritime transport

Foreign persons cannot take the position of the captain, chief captain's mate, chief engineer and signaller of a ship.

Authority: Law of the Republic of Kazakhstan № 284-II "On Merchant Shipping" of 17 January 2002; Law of the Republic of Kazakhstan № 574-II "On Inland Water Transport" of 6 July 2004.

Air transport

Only a citizen of the Republic of Kazakhstan may be the head of the aviation security service of airport or an air company providing scheduled air transport services. Only a citizen of the Republic of Kazakhstan can be the air security officer of an operator providing non-scheduled air services and aerial works.

Authority: Law of the Republic of Kazakhstan № 339-IV "On Use of Air Space and Air Operations" of 15 July 2010.

Tourism

Only a citizen of the Republic of Kazakhstan can work as a guide (interpreter guide) or tourism instructor.

Authority: Law of the Republic of Kazakhstan № 211-II "On Tourist Activity in the Republic of Kazakhstan" of 13 June 2001.

Legal and para-legal services

Only a citizen of the Republic of Kazakhstan may be an advocate or a candidate advocate (intern).

Only a citizen of the Republic of Kazakhstan can be a notary or a candidate notary (intern).

Only a citizen of the Republic of Kazakhstan may be a patent attorney.

A public or a private bailiff can only be a citizen of the Republic of Kazakhstan.

Authority: Law of the Republic of Kazakhstan № 195-I “On Advocacy” of 5 December 1997; Law of the Republic of Kazakhstan № 155-I “On Notariat” of 14 July 2007; Patent Law of the Republic of Kazakhstan № 427-I of 16 July 1999; Law of the Republic of Kazakhstan № 261-IV “On Enforcement Proceedings and Bailiff Status” of 20 April 2010.

Forensic

Only a citizen of the Republic of Kazakhstan can be a forensic expert in forensic enquiry bodies.

Authority: Law of the Republic of Kazakhstan № 240-IV “On Forensic Examination Activity in the Republic of Kazakhstan” of 20 January 2010.

c) *Government purchasing*

Government procurement is open to non-resident foreign enterprises and domestic economic operators on equal grounds, provided that the requirement to grant such a regime is set by the international treaties ratified by the Republic of Kazakhstan and pursuant to the terms and conditions set forth in such treaties. Currently Kazakhstan provides national treatment for the purposes of participation in public procurements only for the Member-States of the Eurasian Economic Union (Armenia, Belarus, Kyrgyzstan and Russia) under the Treaty on Eurasian Economic Union of 29 May 2014 on a reciprocity basis.

Authority: Law “On Public Procurement” № 434-V of 4 December 2015 (subparagraph 31 of Article 2, and Article 14).

d) *Official aids and subsidies*

None

B. Measures reported for transparency at the level of territorial subdivisions

None

C. Activities covered by public, private, mixed monopolies or concessions

At the national level

I. Public monopolies

- Maintaining State land cadastre of the Republic of Kazakhstan;
- Forestry, connected with inventory of forest resources and territorial set up of the forest fund;

- Conducting meteorological and hydrological monitoring and monitoring the condition of the environment;
- Expertise of pharmaceutical products, medical devices and of medical equipment;
- Evaluation of safety and quality of pharmaceutical products, medical devices registered in the Republic of Kazakhstan;
- Registration of the pledge on movable property, not subject to mandatory State registration;
- Determination of the cost of taxation objects (housing, country cottage building, object of unfinished construction, unheated extension, household (service) building, basement level, cellar of the housing, garage);
- State technical inspection of buildings, constructions, and (or) their components;
- Localisation and liquidation of epicentres of dissemination of quarantine objects;
- In the field of protection of selective achievements accepting and conducting preliminary expertise of applications for selective achievements;
- In the field of protection of inventions, utility models, industrial design acceptance and expertise of applications for inventions, utility models and industrial designs;
- In the field of protection of trademarks, service marks, appellations of origin acceptance and expertise of applications for registration of trademarks, service marks, and appellations of origin;
- Conducting comprehensive outsourced expertise of construction drafts (of technical and economic justifications and of design-and-estimate documentation);
- Maintaining State city-planning cadastre;
- In the field of veterinary diagnostics of extremely hazardous and enzootic animal diseases;
- In the field of electronic document and electronic digital signature activity of the trusted third party of the Republic of Kazakhstan on conducting verification of authenticity of the foreign electronic digital signature, activity of the national validating centre;
- In the field of communications technical support of works on monitoring of radio-frequency spectrum and radio-electronic tools;
- In the field of informational development attestation inspection of informational system, informational-communication platform of “electronic government” and internet resource of the State body on their compliance with requirements of informational security;
- In the field of mandatory social insurance personified recording and formation of centralized data base of mandatory social expenditures and social payments of participants of the system of mandatory social insurance; organisation of social payments from the State fund of social insurance;

- In the field of State statistics collection, processing of the primary statistical data, their storage in electronic format; formation, support and actualization of informational-statistical systems, databases and their platforms, registries of statistics, internet-resource of the authorized body;
- Preparation of identity documents, accumulation and maintenance of the integrated data pool of the system of document preparation, automatization of the work on recording of migration processes, elaboration, implementation and support of software-technical products for internal affairs bodies;
- Withdrawal of sturgeon species from natural habitat, their purchase, processing, and export of their roe and of other types of products;
- Organising methodological and scientific-methodological support of the education system and educational process (State mandatory public standards of education, curriculums, education programmes);
- Organising expertise of textbooks, educational-methodical kits and handbooks by levels of education.

Authority:

- Land Code of the Republic of Kazakhstan № 442 of 20 June 2003
- Forest Code of the Republic of Kazakhstan № 447 of 8 July 2003
- Environmental Code № 212 of 9 January 2007
- Code of the Republic of Kazakhstan «On Public Health and the System of Healthcare» № 193-IV of 18 September 2009
- Law of the Republic of Kazakhstan «On Registration of The Pledge on Movable Property» № 254 of 30 June 1998
- Law of the Republic of Kazakhstan «On Valuating Activity in the Republic of Kazakhstan» № 109 of 30 November 2000
- Law of the Republic of Kazakhstan «On State Registration of Rights for Immovable Property» № 310 of 26 July 2007
- Law of the Republic of Kazakhstan «On Quarantine of Plants» № 344 of 11 February 1999
- Law of the Republic of Kazakhstan «On Protection of Selective Achievements» № 422-I of 13 July 1999
- Law of the Republic of Kazakhstan «Patent Law of the Republic of Kazakhstan» № 427 of 16 July 1999
- Law of the Republic of Kazakhstan «On Trade Marks, Service Marks, and Appellations of Origin» № 456 of 26 July 1999

- Law of the Republic of Kazakhstan «On Architectural, City Planning and Construction Activity in the Republic of Kazakhstan» № 242 of 16 July 2001
- Law of the Republic of Kazakhstan «On Veterinary» № 339 of 10 July 2002
- Law of the Republic of Kazakhstan «On Electronic Document and Electronic Digital Signature» № 370 of 7 January 2003
- Law of the Republic of Kazakhstan «On Communications» № 567 of 5 July 2004
- Law of the Republic of Kazakhstan «On Informational Development» № 418-V of 24 November 2015
- Law of the Republic of Kazakhstan «On Mandatory Social Insurance» № 405 of 25 April 2003
- Law of the Republic of Kazakhstan «On State Statistics» № 257-IV of 19 March 2010
- Law of the Republic of Kazakhstan «On Identity Documents» № 73-V of 29 January 2013
- Law of the Republic of Kazakhstan «On Protection, Reproduction, and Use of Animal World» № 593 of 9 July 2004
- Law of the Republic of Kazakhstan “On Education” № 319-III of 27 July 2007.

II. Natural monopolies

- Transportation of oil and/or oil products via mainline pipelines, except in the cases of their transportation for the purposes of transit through Kazakhstan and export out of Kazakhstan;
- Storage, transportation of commercial gas via connecting, main line gas pipelines and /or gas distribution facilities, exploitation of group reservoir units, and transportation of crude gas via connecting pipelines, except in the cases of storage, transportation of commercial gas with the aim of transit through Kazakhstan and export out of Kazakhstan;
- Electric power transmission and/or distribution;
- Thermal energy production, transmission, distribution and/or supply, except for thermal energy generated with the use of soil heat, from underground water, rivers, water reservoirs, discharge water of industrial enterprises and power stations, and from sewers;
- Technical dispatching of electric power grid output and consumption;
- Management of the balancing of electric power grid;
- Mainline railway networks, except for mainline railway network services in transportation of goods in containers and transportation of empty containers;
- Railway track services with the objects of railway transport under concession agreements in the absence of alternative railway track;

- Approach track services in the absence of alternative approach track ;
- Air navigation;
- Ports, airports;
- Provision or lease of underground cable systems and other fixed assets related to connection of telecommunication networks to the public telecommunication networks;
- Universal postal services;
- Water-utilisation and/or sewer systems;

Authority: Article 4, Law № 272 "On Natural Monopolies and regulated markets" (9 June 1998), as amended. The Law also refers to Order № 186 of the Minister of Economy (30 December 2014), which provides a detailed list of natural monopolies.

III. Private monopolies

None.

IV. Concessions

- Exploration and exploitation of oil and gas negotiated by Subsurface users with the Government (must comply with the provisions of the Subsurface Law).

Authority: Subsurface exploration and exploitation contracts are regulated by the 2010 Subsurface Law (Law № 291-IV adopted on 24 June 2010), as amended. See Articles 61 to 74 on Subsurface users' contracts.

- Infrastructure facilities in all economic sectors can be the object of a concession agreement, except for trunk rail networks, navigable waterways, lighthouses and other navigation devices & signs, and water structures (dams, hydroelectric and other hydraulic structures). Kazakhstan allows the concession of water management facilities (water intake facilities, pumping stations, water treatment facilities) of most large cities.

Authority: Law on Concessions (№ 167-III) adopted on 7 July 2006 (Article 4), as amended, and corresponding list of objects which cannot be transferred into concession (Decree of the President № 294 adopted on 5 March 2007).

At the level of territorial subdivisions

None

KOREA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Trans-sectoral: The National Government has a right to deny acceptance of a foreign investment if there is clear evidence that this investment would hinder the maintenance of essential public interests. When the National Government decides to restrict a foreign investment, the categories of business and the contents of restriction shall be announced by the notification of the Minister of Knowledge Economy.

Air transport: Air traffic control is reserved to the national Government.

Telecommunications: Radar service and missile guidance services are reserved to the national Government.

b. *Corporate organisation*

Air transport: The Chief Executive of a Korean airline company must have Korean citizenship.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

LATVIA

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Latvenergo (energy company); not allowed by Law to be privatised. The electricity market is being opened gradually. In the energy field competition is possible on the markets for production and sale, but is limited in transmission and distribution. Conditions for the electric power supply structure are defined in the Electricity Market Law adopted on 5 May 2005;

Authority: Electricity Market Law (Official Journal No 82 of 25.05.2005).

- The Post Office has reserved the following rights as of 1 January 2006:
 - collecting, sorting, transportation and delivery of both domestic and international letter-post items (postcards, letters, printed matters and small packets) up to 50g within the territory of the Republic of Latvia;
 - circulation of postage stamps and other printed prepayment orders.

Authority: Amendments to the Postal Law (Official Journal No 42 of 17.03.2004)

II. *Private or mixed (public/private monopolies)*

None.

III. *Concessions*

None.

At the level of territorial subdivisions

None.

LITHUANIA

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

a. Investment by established foreign controlled enterprises

Article 8 of the Law on Investment prohibits foreign investment in the area of state security and defence, with the exception made to foreign companies from EU and NATO countries, subject to approval by the State Defence Council.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Monopolies and Concessions

At the level of national government

I. Public monopolies

- Only Lithuanian mint – a state owned enterprise – is authorised to mint coins.
- The State Post Office has exclusive rights to install letter collection boxes, issue postage stamps, to deliver pensions, allowances and other state or Social Security Foundation benefits.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

None.

At the level of territorial subdivisions

None.

LUXEMBOURG

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Postal services;
- Telecommunications (infrastructure, basic services);
- Import of electricity and natural gas;
- Railways (infrastructure).

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

- Radio and television broadcasting (national);
- Satellite broadcasting;
- Distribution of electricity and natural gas (national);
- Lotteries and casinos.

At the level of territorial subdivisions

I. *Public monopolies*

Water distribution.

II. *Private or mixed (public/private monopolies)*

None.

III. *Concessions*

Radio and television broadcasting (local).

MEXICO

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Trans-sectoral: The Foreign Investment Law (FIL) stipulates that a favorable resolution by the National Commission on Foreign Investment is required for foreign investment to participate in a percentage higher than 49% in some economic activities and companies (Article 8). The activities include: (1) port services in order to allow ships to conduct inland navigation operation, such as towing, mooring and barging; (2) shipping companies engaged in the exploitation of ships solely for high-seas traffic; (3) concessionaire or permissionnaire companies of air fields for public service; (4) private education services of pre-school, elementary, middle school, high school, college or any combination; (5) legal services; (6) credit information companies; (7) securities rating institutions; (8) insurance agents; (9) cellular telephony; (10) construction of pipelines for the transportation of petroleum and products derived therefrom; (11) drilling of petroleum and gas wells; and (12) construction, operation and exploitation of general railways, and public services of railway transportation. The Commission has the authority and powers to resolve on the terms and conditions for the participation of foreign investment in activities or acquisitions with specific regulation, pursuant to Articles 8 and 9 of the FIL (Article 26). And, for reasons of national security, the Commission may prevent acquisitions by foreign investment (Article 30).

Defence: Sale or manufacture of firearms, cartridges, artificial explosives and fireworks.

Authority: Foreign Investment Law; Firearms and Explosives Federal Law.

b. *Corporate organisation*

Finance: The majority of the members of the board of directors and the general directors of an affiliate of a foreign financial institution must be Mexican residents.

Finance: The chief executive and the directors representing stock series "A" and "B" of financial holding companies in commercial banks controlled by Mexican nationals must be Mexicans. Members of the board of directors, officials and representatives of securities intermediaries that are registered with the National Registry of Securities and Intermediaries and are controlled by Mexican nationals must be Mexican nationals or residents.

Trans-sectoral: The chief executives of state majority-owned enterprises must be Mexican nationals.

Authority: FIL; Credit Institutions Law.

c. *Government purchasing*

None.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

The following activities are reserved to the State:

- Petroleum, other hydrocarbons and basic petrochemicals;
- Generation, transmission and supply of electricity as a public service;
- Nuclear power and treatment of radioactive minerals;
- Telegraph and postal services, and radiotelegraphy;
- Control, supervision and surveillance of ports, airports and heliports;
- Issuance of bills and minting coinage.

II. Private or mixed (public/private) monopolies

None.

III. Concessions

a. Activities subject to a special foreign investment regime:

- Bus and truck station administration and auxiliary services;
- Management and provision of port-related services;
- Loading and unloading services relating to water transport;
- Air navigation services and airport and heliport administration services and aircraft repair activities;
- Road and bridge administration services and auxiliary services;
- Construction and operation of marine and river works and shipyard;
- Operation of non-energy pipelines;
- Exploitation of water resources;
- Mining;

- Radio and television broadcasting;
- Forestry and hunting.

b. *Other activities:*

- All public services;
- Public property exploitation, other than the above-mentioned;
- Education;
- Exploitation of all kinds of inventions;
- Public commercial and industrial services.

Authority: Mexican Constitution; General Means of Communication Law; National Goods General Law; Water Federal Law; Radio and Television General Law; Education Law; Hunting Federal Law; Fisheries Law.

At the level of territorial subdivisions

None.

MOROCCO

1. Measures reported for transparency at the level of national government

I. *Measures based on public order and essential security considerations*

a. *Investments by established foreign-controlled enterprises*

None

II. *Other measures reported for transparency*

a. *Corporate organisation*

Maritime transport: The president of the board of directors, the director or delegated administrator must be of Moroccan nationality. The vessels must be operated by Moroccan crews.

Source: Dahir No. 1-61-129 of 25 September 1962 on the organisation of maritime transport

Maritime fisheries: Fishing companies must have Moroccan nationals as their president and as a majority of the board of directors.

Source: Dahir No. 1-73-255 of 23 November 1973 regulating the maritime fishery as amended and supplemented

Audiovisual services: At least one member of the board of directors of radio and television service companies must be of Moroccan nationality.

Sources: Dahir No. 1-02-212 of 31 August 2002 creating the High Authority on Audiovisual Communication (HACA)

Decree-law No. 2-02-663 of 10 September 2002 abolishing the State monopoly in radio and television broadcasting

Law No. 77-03 of 7 January 2005 on audiovisual communication

Private higher education: The academic director of a private higher education establishment must be of Moroccan nationality and must reside in Morocco. Foreigners serving as teachers or managers in such establishments must have a work permit that takes account of needs in the sector.

Sources: Law No. 01-00 on the organisation of higher education

Dahir No. 2-02-99 of 27 June 2007 establishing procedures for authorising opening, expansion and modification of private higher education establishments

Private preschool, primary and secondary education: Foreigners serving as teachers or managers in such establishments must have a work permit that takes account of needs in the sector.

Source: Law No. 06-00 of 19 May 2000 on the status of private education; Application Decree 2-00-1015 of 22 June 2001

Private medical clinics and laboratories for medical biology analysis: Foreigners may establish, direct or manage such establishments only if they are permanent residents of Morocco, the spouse of a Moroccan citizen, or nationals of a State that has concluded an agreement of reciprocity with Morocco authorising the nationals of each State to establish, direct or manage such establishments in the territory of the other State.

Sources: Law No. 10-94 of 21 November 1996 on the practice of medicine

Law No. 12-01 of 7 November 2002 on private laboratories for medical biology analysis (Articles 3 and 6); Application Decree 2-05-752 of 13 July 2005

B. Measures reported for transparency by territorial subdivisions

None

C. Private or mixed (public-private) monopolies

At the national level

I. Public monopolies

Phosphate: Phosphate exploration is a State monopoly operated by the *Office chérifien des phosphates* (OCP). The OCP was transformed into a State corporation and its shares may be held only by State establishments and corporations.

Sources: Dahir of 16 April 1951 on mining regulation in Morocco

Dahir of 27 January 1920 creating the *Office chérifien des phosphates* (OCP)

Law No. 46-07 of 26 February 2008 transforming the OCP into a corporation

Rail transport: Rail passenger and goods transportation and pushing and towing services are State monopoly, held by the *Office national des chemins de fer* (ONCF), which will be transformed in 2010 into a corporation, the *Société marocaine des chemins de fer* (SMCF) with 100% of capital owned by the State.

Sources: Dahir No. 1-63-225 of 5 August 1963 creating the *Office national des chemins de fer*
Law No. 52-03 of 20 January 2005 on institutional reorganisation of the rail transport sector

Airports: The *Office national des aéroports* (ONDA), a public company, has a monopoly over the management and operation of airports, including the provision of airport services.

Sources: Decree No. 2-61-161 of 10 July 1962 regulating civil aviation, and its application texts, in particular Order No. 544-00 of 2 November 2000 setting conditions for the authorisation to provide public air transport services

Postal and mail services: Postal services (domestic and international mail service, issuance of postage stamps and similar marks, collection of savings through the *Caisse d'épargne nationale*) are a State monopoly. (The monopoly does not apply to express delivery services supplied from points outside Morocco to points within its territory, or from points within Morocco to points outside its territory and for letters and packages over 1 kg).

Sources: Dahir of 25 November 1924 on the postal monopoly

Law No. 24-96 of 7 August 1997 on postal and telecommunications services

Wholesale fruit, vegetable and fish markets and slaughterhouse operations are a State monopoly delegated to the municipalities.

Sources: Decree of 22 May 1962 of the Minister of the Interior on the status of wholesale market agents for fruit, vegetables and fish
Law No. 78-00 of 3 October 2002 (Municipal Charter)

Hazardous waste management is a State monopoly delegated to the municipalities.

Sources: Law No. 78-00 of 3 October 2002 (Municipal Charter)
Law No. 28-00 of 2006 on waste management and elimination
Decree No. 2-07-253 of the 7 July 2008 on waste classification and the list of hazardous wastes

II. Private monopolies

Production and wholesale distribution of tobacco: The production and wholesale distribution of manufactured tobacco products has been a monopoly exercised by the *Régie du tabac*, privatised in 2003 with 100% of its capital having been transferred to Atladis, subsidiary of Imperial Tobacco. This private monopoly will be maintained until 2010.

Source: Law No. 46-02 of 24 March 2003 on the regime for raw and manufactured tobacco

Wholesale distribution of ethyl alcohol: The State monopoly exercised by the *Service Autonome des Alcools* of the Department of Trade and Industry has been delegated to a private-sector company, the *Société de transformation des mélasses du Gharb* (SOTRAMEG) for 15 years.

Source: Decree No. 2-72-377 of 18 December 1972 on eliminating the *Bureau des vins et alcools* and transfer of its functions

III. Concessions

Electricity: The transmission of electricity is handled by the *Office national de l'électricité* (ONE) under a management contract. The distribution of electricity is handled by the ONE and the municipal councils, which decide the terms of management, either through direct administration by municipalities or through public utility companies or under concessions, for which private firms may compete.

Sources: Dahir No. 1-63-226 of 5 August 1963 creating the ONE, amended and supplemented by Decree No. 2-94-503 of 23 September 1994
Law No. 78-00 of 3 October 2002 (Municipal Charter)
Law No. 54-050 14 February 2006 on delegated management of public services

Water: Water production is handled by the *Office national de l'eau potable* (ONEP), by private companies, by municipal utilities, or by the municipalities. Distribution of drinking water is handled by municipal utilities, delegated companies, and the ONEP under a management contract. The municipal councils decide the terms of management of municipal public services, via direct administration, autonomous utility, concession or any other form of delegated management.

Sources: Dahir No. 1-72-103 of 3 April 1972 creating the *Office national de l'eau potable* (ONEP)
Law No. 78-00 of 3 October 2002 (Municipal Charter)
Law No. 54-05 of 14 February 2006 on delegated management of public services

Non-hazardous waste management (street cleaning, garbage collection and sanitation): the municipal council is authorised to decide the terms for managing these services, either through direct administration by the municipalities, through a delegated autonomous administration, or under concession.

Source: Law No. 78-00 of 3 October 2002 (Municipal Charter)

Motorways: Concessions may be let for the construction and operation of motorways. As international calls for tender have so far failed to attract bids, the *Société nationale des autoroutes du Maroc* is currently the only concessionaire for the entire motorway network.

Source: Law No. 4-89 of 6 August 1992 on motorways; Application Decree of 2 February 1993

B. Measures reported for transparency by territorial subdivisions

None

NETHERLANDS

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. Investment by established foreign controlled enterprises

None.

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Transmission system operation and distribution system operation of electricity and gas grids, gas and water;
- Railway passenger services provided by the Dutch railways.

II. *Private or mixed (public/private) monopolies*

- Radio and television broadcasting facilities (broadcasting itself is not subject to monopoly);
- Public bus transport.

III. Concessions

National passenger services railways.

At the level of territorial subdivisions

Some provisional projects to get experience with concessions by local authorities for local railway passenger services.

NEW ZEALAND

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

Railways: Toll Holdings has exclusive rights to use the rail track for freight services until 2070. Other operators are involved in passenger services in some areas.

II. *Private or mixed (public/private) monopolies*

None.

III. *Concessions*

None.

At the level of territorial subdivisions

None.

NORWAY

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign-controlled enterprises*

Defence: Foreign-controlled enterprises operating in Norway may not be granted a contract or sub-contract involving classified information, except under special arrangements to be determined on a case by case basis.

Authority: Regulations of July 2001 and September 2004.

Transport: Restrictions on the transport of classified military-sensitive goods.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

a. *Investment by established foreign-controlled enterprises*

None.

b. *Corporate organisation*

Trans-sectoral: Certain Norwegian laws, notably the Companies Act, require that the manager and at least one-half of the board members shall be domiciled in the European Economic Area and have resided there for at least two years.

Authority: Companies Act, and other laws.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Electricity transmission and distribution;
- Lotteries with money prizes and betting on sports events;
- Alcoholic beverages (sales and retailing subject to license from the local authorities).

II. *Private or mixed (public/private) monopolies*

- First-hand sales of the predominant part of the landings of fish;
- Postal services (for letters weighing less than 100 grams).

III. *Concessions*

- Distribution of water, gas, electricity;
- Bus transportation (on regular routes);
- Air transportation between destinations in Norway and destinations outside the EU/EEA Area;
- Railway transportation (Authorisation Regulations of 5 February 2003, section 2-1 and 2-2, cf. EEA-agreement Annex XIII No. 37 and No. 42a);
- Telephone (only mobile communications systems);
- Postal services;
- Sale of fish products (According to the Act relating to export of fish and fish products of 1 July 1991, the authorities may decide to centralise the sale of specific fish products or the sale of fish products to a certain market if the market situation justifies such restrictions).

At the level of territorial subdivisions

I. *Public monopolies*

None.

II. *Private or mixed (public/private monopolies)*

Bait for fishing purposes (concerns only the three northern counties of Norway: Norland, Troms and Finnmark).

III. Concessions

- Radio and television broadcasting;
- Distribution of pharmaceutical products (local);
- Sale and retailing of alcoholic beverages at the local level.

PERU

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

a. Investment by established foreign-controlled enterprises

All sectors: The law may, solely by reason of national security, temporarily impose specific restrictions and prohibitions for the acquisition, possession, exploitation and assignment of certain goods.

Authority: Peru's Constitution, Article 72.

b. Corporate organisation

None.

c. Government purchasing

The purchase of goods and hiring of services for military purposes have been classified into 2 categories: (i) military secrets, and (ii) others. Purchases of goods and services classified as military secrets are exempt of the General Procurement Law.

Authority: Decree 083-2004-PCM.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

a. Investment by established foreign-controlled enterprises

All sectors: All employers in the Republic of Peru, independently of their activity or nationality, shall give preferential treatment to nationals when hiring their employees.

Service-providing companies must show proof of the commitment to train national personnel in the same occupation. Foreign natural persons may not represent more than 20% of the total number of employees of an enterprise and their pay may not exceed 30% of total payroll for wages and salaries. The law provides for a number of exemptions from applying these percentages.

Authority: Foreign Worker Contract law (Legislative Decree No. 689, 5 November 1991) Articles 1, 2, 4, 5 (amended by Law No. 26190) and 6.

b. Corporate organisation

Security services: Senior managers of an enterprise that supplies security services must be Peruvian nationals by birth and be residents of the Republic of Peru.

Authority: Regulations on Private Security Services (Supreme Decree No. 005-94-IN, 12 May 1994, Articles 81 and 83).

Air transport: At least half plus one of the directors, managers, and persons who control or manage a company rendering commercial aviation service may be Peruvian nationals or have permanent residence in the Republic of Peru

Authority: Civil Air Transport Law (Law No. 27261, 10 May 2000), Article 79; Regulations on Civil Air Transport (Supreme Decree No. 050-2001-MTC, 26 December 2001), Articles 147, 159, 160 and Complementary Provision VI.

Maritime transport: The chairman of the board of directors, a majority of the directors, and the General Manager of a National Ship Enterprise must be nationals and resident in the Republic of Peru. A “National Ship-owner” or “National Ship Enterprise” means a Peruvian national or corporation organized under Peruvian law, with its principal domicile and real and effective headquarters in the Republic of Peru, whose business is to provide water transportation services for cabotage or international traffic and which is the owner or lessee under a financial lease or a bareboat charter, with an obligatory purchase option, of at least one Peruvian flag merchant ship and that has obtained the relevant Operation Permit from the General Aquatic Transport Directorate.

The captain of the Peruvian-flagged vessels must be a Peruvian national and the crew must have at least 80% of Peruvian nationals authorized by the “Dirección General de Capitanías y Guardacostas”. In cases where there is no duly qualified Peruvian captain, a foreign national may be authorized to serve as captain. Only a Peruvian national may be a licensed harbour pilot.

Foreign-flagged vessels may be used by a “National Ship-owner” or “National Ship Enterprise” for a period of no more than six months for water transportation exclusively between Peruvian ports or cabotage when such an entity does not own its own vessels or lease vessels.

Authority: Law on National Merchant Navy Reactivation and Promotion (Law N° 28583, 22 July, 2005) Articles 4.1, 6.1, 7.1, 7.2, 7.4 and 13.6; Supreme Decree N° 028 DE/MGP, 25 May 2001; Regulations on Law N° 26620, Article I-010106, sub-section a).

Fishing: The owners of foreign-flagged fishing vessels that operate under Peruvian jurisdiction waters must hire a minimum of 30% of Peruvian crew.

Authority: Regulations on General Fishing Law (Supreme Decree No.012-2001-PE, 14 March 2001)

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

None.

POLAND

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Real estate: Foreign-controlled enterprises require authorisation for the acquisition of real estate in border areas.

Authority: Act on acquisition of real estate by *foreign* parties (Journal of Acts, 24/1920, item 202; last amended in 1996).

Airports: Foreign-controlled enterprises require authorisation for the investment in an enterprise managing an airport and enterprises with foreign participation are not allowed to *establish* an airport.

Authority: Aviation Act as amended in 1996; Decree of the Minister of Transport concerning civil airports (Journal of Acts 37/1964, item 237).

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

a. *Investment by established foreign controlled enterprises*

None.

b. *Corporate organisation*

Broadcasting: The majority of the members of the Supervisory Board of a broadcasting company must be resident Polish citizens.

Authority: Act on broadcasting of 1992 (Journal of Acts 101/2001, item 1114 with amendments).

Telecommunications: The majority of the members of the Supervisory Board of a telecommunications company must be resident Polish citizens.

Authority: Act on telecommunication (Journal of Acts 86/1991, item 504).

Press: The editor in chief of a newspaper must be a Polish citizen.

Authority: Press Act (Journal of Acts 5/1984, item 24).

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

None.

PORTUGAL

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Maritime transport: Maritime cabotage between the Portuguese mainland and the Azores and between the Azores reserved to the national flag.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Postal communications;
- Production and distribution of water for public use;
- Basic sanitation;
- Rail transport (exploited as a public service);
- Operation of sea and air ports;

II. *Private or mixed (public/private) monopolies*

War material industries.

III. *Concessions*

- Telecommunications (as a public service);
- Exploitation of subsoil and natural resources;
- Petrochemical industries.

At the level of territorial subdivisions

None.

ROMANIA

A. Measures Reported for Transparency at the Level of National Government

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

The Romanian Constitution, republished, designates a number of assets and activities as “public goods”, the ownership, management and utilisation of which is subject to the controls of the state, counties or local authorities.

Any public good could become object of a public concession (art. 135 (4) of the Romanian Constitution), within the limits and under the terms of the Law. Any Romanian or foreign individual or legal entity is eligible for being a concessionaire. The concession procedure can be initiated under the Government Emergency Ordinance no 34/2006 on the award of the public procurement contracts, public works concession contracts and services concession contracts or under the Government Emergency Ordinance no 54/2006 on the concession of public goods.

According to the Law on public property and its juridical regime (no. 213/1998), public goods are defined as follows:

At the level of national government

- Wealth of any kind of the subsoil, in a state of deposit; the natural resources of the economic zone and of the continental shelf, together with the continental shelf;
- Surface waters, including lakebeds, shores and basins, underground waters; interior maritime waters; cliffs and seashores including natural and energy resources that can be commercially exploited; the territorial sea and seabed of maritime waters; and interior navigable waterways;
- Navigable channels, basins of canals, hydrotechnical constructions relating to canals, locks, protections and consolidations of shores and slopes, safety zones on shores of canals, access roads and the lands on which these are located; main channels and distribution networks for irrigation; reservoirs and dams, if involved in electric power production connected to the national power grids or for the purpose of avoiding flooding; water course regularisation works;
- Military and civil, river and maritime ports – the grounds on which these are situated, dams, quays, stone packings and other hydrotechnical constructions for the mooring of boats and for other activities of civil navigation, basins, access channels and aquatoria, technological roads in ports, historic monuments existing in ports, quays and stone packings situated on the shores of navigable waterways outside of port precincts destined for navigation activities; grounds exclusively destined for military training; frontier guard posts and fortifications for the country's defence;

- Forests and pieces of land destined for forestation; land serving the purpose of silviculture; ponds, river beds and productive pieces of land affected by forest planning which are part of the national forest fund and are not private property;
- Land that belonged to the public domain of the State before 6 March 1945; pieces of land obtained by damming, draining, and soil erosion control works; pieces of land belonging to scientific research stations and institutes of silvicultural and agricultural education units destined for research, production of seed and seedlings from biological categories and pedigree animals;
- National parks; natural reservations and monuments; the natural estate of the "Delta Dunării" (Danube Delta) Biosphere Reservation;
- Statues and monuments declared of national public interest; archaeological and historical sites and compounds; museums, art collections declared of national public interest;
- Air space; airfields, including runways, rollways and embarkation-debarkation platforms situated on them and the grounds on which they are located;
- The infrastructure of railroads, including tunnels and civil engineering works; tunnels and underground caissons as well as related installations; national roads – motorways, express roads, European national roads, main or secondary; electric power grids; telecommunications frequencies and networks; natural gas, crude oil, and petroleum products transport pipelines; hydro-technical cabins, hydrological, meteorological, and water quality stations;
- The land and buildings in which Parliament, Presidency, Government, ministries, and other specialist bodies of the central public administration and the public institutions subordinated to them exert their activities; courts of law and the public prosecutors' offices attached to them; units of the National Defence Ministry and of the Ministry of the Interior, of the public information services as well as those of the General Directorate of Prisons; the decentralised public services of the ministries and of the other specialist bodies of the central public administration as well as the prefectures, except those acquired from own extrabudgetary revenues, which shall constitute their private property.

At the level of territorial subdivisions

Counties:

- County roads;
- The land and buildings in which the county authorities exert their activities as well as public institutions at the county level such as libraries, museums, county hospitals and similar goods, if not declared of local or national public interest or use;
- Water supply networks in micro-zonal or zonal systems as well as water treatment stations together with related installations, constructions and land.

Municipalities, towns, and communes:

- Communal roads, field ways and streets;

- Squares, commercial market places, fairs, cattle markets and public parks as well as recreation zones;
- Lakes and beaches not declared of county or national public interest;
- Water supply networks, sewers, district heating, and gas supply networks, as well as waste water treatment and clearance stations with related land, constructions and installations;
- The land and buildings in which the mayoralty and the local council as well as public institutions of local interest such as theatres, libraries, museums, hospitals, polyclinics and exert their activities;
- Social dwellings;
- Statues and monuments, if not declared of national public interest;
- Any kind of wealth of the subsoil in a state of deposit, if not declared of national public interest;
- Land designated to forestry if not belonging to the domain of the State, and if not the property of natural or legal persons;
- Communal and town cemeteries.

SLOVAK REPUBLIC

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

None.

II. Other measures reported for transparency

a. Investment by established foreign controlled enterprises

None.

b. Corporate organisation

Foreign natural persons entrusted to represent the entrepreneur have to submit a permit to stay in the Slovak Republic.

Auditing: The majority of the members of the Board of auditing companies established in the Slovak Republic must be auditors registered in the Slovak Chamber of Auditors or a similar register in an OECD Member country.

Authority: Law No. 73/1992 Coll. on Auditing Services and the Slovak Chamber on Auditors.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

SLOVENIA

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Defence: Production and trading of armaments.

Authority: Articles 77 and 78 of the Defence Act.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Postal services for pieces weighing up to 50 grams;
- Passenger rail transport;
- Obligatory pensions;
- National lottery.

II. *Private or mixed (public/private) monopolies*

- Public Health insurance;
- Water and electricity distribution.

III. *Concessions*

- Natural resources;
- Games of chance.

At the level of territorial subdivisions

None

SPAIN

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Defence: Participation, direct or indirect, by foreign investors in Spanish companies whose activities are related to defence (i.e. production and commerce of weapons and war materials) is subject to authorisation.

Authority: Foreign Investment Law; RD 664/1999; Arms regulations; RD 2179/81.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Certain postal services;
- Distribution of electricity (high tension) and gas in rural areas;
- Railways;
- Nuclear-waste disposal industries.

II. *Private or mixed (public/private) monopolies*

- Certain categories of insurance (compulsory travellers' insurance, official motor vehicle third party insurance, insurance on extraordinary risk);
- Distribution of tobacco;
- Distribution of petroleum products.

III. *Concessions*

- Private TV broadcasting;
- Regular road transport;
- National lotteries.

At the level of territorial subdivisions

None.

SWEDEN

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Defence: A government permit is required for both foreign-controlled and domestic enterprises to produce war munitions in Sweden. In practice, a foreign-controlled enterprise is allowed to produce war munitions only to a small extent. Only companies with a clause in their articles of association restricting foreign ownership to 20 per cent of the votes and 40 per cent of the capital can normally obtain a permit to manufacture defence material and war munitions.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. *Other measures reported for transparency*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Television and radio broadcasting;
- Mail distribution;
- Football pools, state lotteries with money prizes and horse betting;
- Import and sale of alcoholic beverages;

- Retail sale of pharmaceutical products;

II. Private or mixed (public/private) monopolies

None.

III. Concessions

- Wire Services;
- Pipelines for natural gas and oil.

At the level of territorial subdivisions

I. Public monopolies

Regional and local scheduled passenger traffic.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

- Regional and local passenger traffic;
- Local distribution of electricity (high voltage).

SWITZERLAND

A. Measures Reported for Transparency at the Level of National Government

I. Measures based on public order and essential security considerations

None.

II. Other measures reported for transparency

a. Investment by established foreign-controlled enterprises

None.

b. Corporate organisation

Trans-sectoral: A person domiciled in Switzerland shall be able to represent a legal person. A member of the governing body of the legal person or another person with the right to represent the legal person may fulfil this obligation. Further requirements on the domicile in Switzerland may exist on a sectoral or cantonal level.

Authority: Law RS 220 (1 January 2008).

Hiring services: The person responsible for the management of a business offering hiring services must be a Swiss citizen or have a permanent residence in Switzerland. Special requirements apply to EU and EFTA citizens.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

a. Investment by established foreign-controlled enterprises

Cantons

Oil and gas: An inter-cantonal agreement among ten cantons requires that a concession for the production of petroleum be accorded only to companies where Swiss participation is at least 75 per cent.

b. Corporate organisation

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. *Public monopolies*

- Part of postal services;
- Scheduled passenger transport services by boat, car, cable car or other means (concessions may be granted to private firms);
- Railways (concessions may be granted to private firms);
- Manufacture of distilled beverages.

II. *Private or mixed (public/private) monopolies*

- Radio and television broadcasting (concession may be granted to private firms);
- Air security services.

III. *Concessions*

As well as the concession schemes mentioned under the headings of public, mixed and private monopolies, other business are subject to authorisation or the granting of a concession. They include trade in arms and explosives and the purchase and sale of melted-down precious metals.

At the level of territorial subdivisions

I. *Public monopolies*

Cantonal monopolies on fishing, hunting, mining, salt, fire and natural damage insurance on buildings, transmission and distribution of electricity, notaries, gas meters, environmental services (potable water, waste management), outdoor advertising, casinos and lotteries, etc.

II. *Private or mixed (public/private monopolies)*

None.

III. *Concessions*

None.

TUNISIA²

A. Measures reported for transparency at the level of national government

I. *Measures based on public order and essential security considerations*

a) *Investments by established enterprises under foreign control*

None

II. *Other measures reported for transparency*

a) *Corporate organization*

Credit institutions: The CEO of a credit institution must be of Tunisian nationality. When the bylaws provide for separation of the functions of the board chairman and president, or those of the chairs of the management board and the oversight body, one of these functions must be performed by a person of Tunisian nationality.

Source: Law n° 2001-65 of 10 July 2001 on credit institutions.

Maritime fisheries and aquaculture: fishing units of Tunisian nationality must have their Board of Directors or their governance or oversight body comprised of representatives of Tunisian legal or natural persons proportionate to their shareholding interest in the company.

Source: Law n° 94-13 of 31 January 1994 on fisheries, as amended by Law n°94-34 of 26 May 1997, Law n° 99-74 of 26 July 1999 and Law n°2010-21 of 26 April 2010.

Periodic press: the director of the periodical and the editor-in-chief must be of Tunisian nationality.

Source: Decree Law n° 2011-115 of 2 November 2011, article 79.

Commercial activities, including wholesale and retail trade, and construction: natural or legal persons of Tunisian nationality must constitute the majority of members of the Board of Directors or the governance or oversight body. The president and the board chairman must be individuals of Tunisian nationality.

Source: Decree Law n° 61-14 of 30 August 1961 governing certain commercial activities, as amended by Law n° 85-84 of 11 August 1985.

Tax advisory services: foreign firms may provide tax advisory services (*conseil fiscal*) on the same basis as Tunisian nationals, provided that Tunisian professionals enjoy the same opportunities, de jure and de facto, in their home countries.

Source: Decree Law n° 61-14 of 30 August 1961 on the licensing of tax consultants, article 5.

² As of 23 May 2012

Engineering services: the managing partner of an engineering firm must be an engineer. Tunisian nationality is one of the conditions for exercising the engineering profession in Tunisia.

Source: Decree Law n° 82-12 of 21 October 1982 establishing the *Ordre des ingénieurs*.

Corporations of bailiffs: bailiffs (*huissiers de justice*) working in a professional corporation must have had Tunisian nationality for at least five years.

Source: Law n° 95-29 of 13 March 1995 on organisation of the profession of bailiffs.

Law firms: lawyers constituting a law firm must have had Tunisian nationality for at least five years.

Source: Law n° 89-87 of 7 September 1989 on organisation of the law profession and Law n° 98-65 of 20 July 1998 on professional law firms.

Road transport: the provision of services by foreign individuals or legal persons from, to or within Tunisian territory, as well as their commercial presence, is limited to nationals of countries with which Tunisia has concluded or will conclude an international agreement, or in the context of a partnership agreement.

B. Measures reported for transparency at the level of territorial subdivisions

None

C. Activities covered by public, private, mixed monopolies or concessions

At the level of national government

I. *Public monopolies*

- *Entreprise tunisienne des activités pétrolières* (ETAP) (petroleum imports and exports);
- *Société tunisienne des industries du raffinage* (STIR) (petroleum refining) ;
- *Société tunisienne de l'électricité et du gaz* (STEG) (electricity and gas);
- *Société nationale des chemins de fer tunisiens* (SNCFT) (railways)
- *Société nationale de distribution et d'exploitation des eaux* (water service);
- *Office national des postes* (National Post Office): for the handling of mailings of a weight not exceeding 1 kg and for the issuance of postage stamps;
- *Régie nationale du tabac et des allumettes* (tobacco products and matches);
- *Régie nationale des alcools* (alcoholic beverages);
- *Office du commerce tunisien* (Tunisian Trade Board): monopoly over the import of basic foodstuffs with fluctuating prices, including sugar, tea and coffee;
- *Office des céréales* (Cereals Board): monopoly over imports of hard wheat, soft wheat and barley, as well as exclusive rights on the local market to purchase hard and soft wheat.

II. Private monopolies

None

III. Concessions

None

TURKEY

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Manufacturing – Petroleum: No real or legal person acting for or on behalf of financial or beneficial interests of a foreign state may hold petroleum right or conduct any business activity related with petroleum without the authorisation of the Council of Ministers. Petroleum related activities can be carried out through locally incorporated stock companies or Turkish branches of stock companies incorporated abroad.

Authority: Articles 6 and 12 of the Petroleum Law No. 6326.

Air transport: Cabotage is reserved to national aircraft which are defined as aircraft owned by associations or companies formed in accordance with Turkish laws and regulations, with the majority of managerial staff and representatives of Turkish nationality and with the voting majority held by partners of Turkish nationality.

Authority: Articles 31 and 49 of Civil Aviation Law No. 2920.

Maritime transport: Cabotage is reserved to Turkish citizens and/or ships flying the national flag. Ships belonging to legal persons set up in accordance with Turkish laws, with the majority of managerial staff and representatives of Turkish nationality and with the voting majority held by partners of Turkish nationality are accepted as Turkish and have the right to fly the Turkish flag.

Authority: Cabotage Act No. 815 and Turkish Trade Law No. 6762.

Real Estate: Companies operating in accordance with Law 4875 (Foreign Direct Investment Law) can generally acquire real estate needed for their activities. However, they need prior authorization for acquiring real property in some areas due to national security concerns.

Authority: Military restricted region and security regions law No. 2565 and Article 35 of the Land Registry Law No. 2644.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

II. Other measures reported for transparency

a. *Investment by established foreign controlled enterprises*

Radio and TV broadcasting: Twenty-five per cent foreign ownership limitation for radio and/or TV broadcasting.

Authority: Law No. 3984 on Establishment and Broadcasting of Radios and Televisions.

Fishing: Foreign persons cannot fish within the fishing area defined in the 1st or the 4th Article of Law on Territorial Waters or in the internal waters.

Authority: Law No. 1380 on Marine Products amended by Article 2 of Law No. 4970 dated 22 July 2003.

b. *Corporate organisation*

None.

c. *Government purchasing*

None.

d. *Official aids and subsidies*

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

- Postal services (all the open and closed letters and postcards constituting any kind of correspondence, without any weight limit. Courier companies may supply freely services that are not covered by postal monopoly, such as pick-up and delivery of parcels and packages);
- Railways;
- Airports;*
- Public utilities;
- Lotteries (except lotteries for goods), ** football pools;
- Import, export, distribution of alcoholic beverages (except wine and beer);

* Investment in airports and armaments is open to private investors provided that an authorisation has been granted.

** By Law No. 4971 passed on 15 August 2003, a license to organise lotteries, for a period of not more than 10 years, has been granted to the private sector.

- Import/distribution of tobacco (the government may grant authorisation to private companies under certain circumstances);
- Armaments,^{*} explosives, gun powder.

II. Private or mixed (public/private) monopolies

None.

III. Concessions

None.

At the level of territorial subdivisions

None.

UKRAINE

A. **Measures reported for transparency at the level of national government**

I. ***Measures based on public order and essential security considerations***

a) *Investments by established foreign-controlled enterprises*

Trans-sectoral:

Unspecified restrictions exist on foreign direct investment in sectors of strategic importance for national security reasons. The commercial code stipulates that “Ukrainian affiliates wholly owned by foreigners or foreign legal entities cannot be created in sectors of strategic importance for the State Security. These sectors are to be defined by law” Moreover, the law “On the fundamentals of National Security of Ukraine” stipulates that “An increase in the share of foreign capital in strategic sectors of the Ukrainian economy such that it jeopardises Ukraine’s economic independence” can be a “real or potential threat to national security”. There is no statutory definition of such sectors of strategic importance to national security where foreign investments would be prohibited or restricted.

Source: Commercial Code, Art. Art. 117.2; Law No. 964-IV “On the Fundamentals of National Security of Ukraine” of 22 July 2003 as amended (Article 7).

Weapons, ammunition and space facilities:

Weapons and ammunition production for military use by foreign-controlled companies is prohibited as well as ownership of space facilities.

Source: Parliament Resolution No. 35/1992 “On the property right of specific items”, which forbids foreign legal entities to own weapons, ammunitions and missile or space facilities.

Activities affecting public order, public security and national defence interests:

Sanctions may be applied against foreign legal entities or Ukrainian legal entities which are under control of a foreign legal entity or natural person (non-resident, foreigner, persons without citizenship) who carry out terrorist activities.

Source: Law № 1644-VII “On sanctions” of 14 August 2014; President’s Decree № 549 “On decision of National security and defence council of Ukraine of 02.09.2015 “On application of personal special economic and other actions (sanctions)” of 16 September 2015.

As of January 2016, sanctions towards the legal entities - residents of Russia were applied in various spheres of economic activity. Among them:

Television and radio broadcasting:

Legal entities and residents, as well Ukrainian legal entities whose shareholders or ultimate beneficiaries are residents from the Aggressor-State, are forbidden from setting up or being shareholders of any TV or radio broadcasting company, or of any television and radio content provider.

Source: Article 12 of the Law of Ukraine on Television and Radio Broadcasting No 3759-XII of 21 December 1993 (as amended).

Licensing: 30 economic sectors subject to compulsory licensing as defined by Article 7 of the Law “On Licensing of Certain Types of Business Activity”:

Entities “under the control of residents from countries undertaking armed aggression against Ukraine and/or creating conditions for armed conflict or use of military force against Ukraine” are not entitled to an activity license. Applicants to a new license must demonstrate the absence of control “of residents from countries undertaking armed aggression against Ukraine and/or creating conditions for armed conflict or use of military force against Ukraine” to the licensing authority. Documentary evidence of such control, as established by licensing authorities, causes the withdrawal of existing licenses.

Source: Articles 6, 9 and 16 of the Law № 222-VIII “On Licensing of Certain Types of Business Activity” (2 March 2015).

II. *Other measures reported for transparency*

a) *Corporate organisation and key personnel*

Road transport: Local incorporation is required for road (freight and passenger) transport.

Source: Schedule of Specific Commitments on Trade in Services attached to the Protocol of Accession of Ukraine to WTO attached to Law No. 250-VI “On Ratification of the Protocol on Ukraine’s Accession to the WTO” of 10 April 2008.

Education services (primary and secondary, higher education, non-school education establishments): The head of primary and secondary schools, as well as preschools, should be a Ukrainian citizen with a degree in pedagogy and no less than three years of teaching experience. The same requirement applies to all non-school education institutions. The head of any higher education institution should speak fluent Ukrainian and be an academic with at least 10 years of experience in academic teaching positions. The head of a state or municipal higher education institutions shall be a Ukrainian citizen.

Sources: Law No. 1556-VII “On Higher Education” of 1 July 2014 (Article 42); Law No. 651-XIV “On General Secondary Education” of 13 May 1999 (Article 24); Law No. 1841-III “On Off the School Education” of 22 June 2000 (Article 21); Law No. 2628-III “On Pre-School Education” of 11 July 2001 (Article 31).

- b) *Temporary Capital controls (non-exhaustive, selected measures with direct impact on foreign investors established in Ukraine).*

Banks are subject to the obligation to monitor foreign currency purchase transactions on a daily basis and service only those that have an express legal basis. The NBU has the right to suspend any transaction it suspects of being illegal and request additional documents regarding any transaction.

The following foreign-exchange transactions are prohibited:

- Transfers of dividends abroad to foreign investors;
- Repatriation of the proceeds from the sale of a security, except in the case of a debt security sold on a stock exchange (NBU verifications required in this case);
- Repatriation of the proceeds from the sale of corporate rights (other than shares), from the decrease of the charter capital or the withdrawal of a foreign shareholder in a company;
- Premature repayment of loans in a foreign currency under agreements with non-residents, including repayments rescheduled for earlier dates as compared to the original payment schedule.

Source: NBU Resolution No. 581 “On Regulation of Capital and Foreign Exchange Market of Ukraine” (3 September 2015).

B. Measures reported for transparency by territorial subdivisions

None

C. Private or mixed (public-private) monopolies

At the national level

I. Public monopolies

Transport of oil and oil products by major pipelines

Transport of natural gas by pipelines

Transmission of electricity via national and international electricity grids

Use of railway lines, dispatcher services and other railway infrastructure

Air traffic control services

Centralised supply and distribution of water

Centralised heating supply

Specialised services in ports and airports, as determined by the Cabinet of Ministers

Burial of domestic waste

Publication and distribution of stamps, conveyance of ordinary postcards and letters up to 50 kilogrammes

Production of ethyl alcohol

Source: Law No. 1682-III “On natural monopolies” (20 April 2000), as amended (Article 5); Law 2759-III “On postal services” (4 December 2001), as amended (Article 15); Law No. 481/95 “On the state regulation of Production and Circulation of Ethyl Alcohol, Cognac and Fruit Alcohols, Alcoholic Beverages and Tobacco Products” (19 December 1995)”, (Article 2).

II. Private monopolies

None

III. Concessions

Concessions are authorised by the Ukrainian legislation in the following sectors:

- Exploration, prospecting of mineral deposits and production thereof;
- Heat production, transport and supply, and natural gas distribution and supply;
- Construction and/or operation of highways, roads, railroads, runways at airports, bridges, overhead roads, tunnels and subways, river and sea ports and infrastructures thereof;
- Machine building;
- Water collection, purification and distribution;
- Health care;
- Tourism, leisure, recreation, culture and sports;
- Support of operation of irrigation and land improvement systems;
- Waste treatment and management;
- Electric power production, distribution and supply;
- Property management;
- Urban public transport and municipal parking services;
- Telecommunications;
- Postal services;
- Public catering;
- Construction of residential real estate;

- Funeral services.

Sources: Article 4 of the Law No. 2404-VI “On Public-Private Partnership” (1 July 2010), as amended; Article 3 of the Law No. 997-XIV “On Concessions” (16 July 1999), as amended.

At the level of territorial subdivisions

None.

UNITED KINGDOM

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Aerospace / Defence: The Articles of Association of BAE Systems plc and Rolls Royce plc include a 15% limit on the percentage of shares that can be held by an individual foreign shareholder or individual foreign shareholders acting in concert.

Authority: The Articles of Association of BAE Systems plc and Rolls-Royce plc.

Energy: The Articles of Association of British Energy require the consent of the Secretary of State for Trade and Industry and the Secretary of State for Scotland for a third party to purchase more than 15% of British Energy's issued shares and for the disposal of any of British Energy's nuclear power stations. Consent can only be withheld on national security grounds.

Authority: The Articles of Association of British Energy.

Manufacturing: The Industry Act (1975) gives the Secretary of State for Trade and Industry the powers necessary to prohibit a proposed transfer of control of an important UK manufacturing undertaking to a non-resident where the transfer is considered contrary to the interests of the UK or a substantial part of it. If it is considered that the national interest cannot appropriately be protected in any other way, property in such a proposal or completed transfer may be compulsorily acquired against compensation. Both prohibition and vesting orders are subject to Parliamentary approval. These powers have not been used hitherto.

Authority: The Industry Act (1975).

Maritime transport: Importation and exportation of certain military freight of a sensitive nature reserved to the national flag.

Authority: Administrative/security policy.

Merger Control: The Enterprise Act (2002) provides for the regulatory control of mergers. It includes provision for the Secretary of State for Trade and Industry to require an investigation into public interest concerns he considers may be raised by a merger – subject to the stated concern being one or more of the Public Interest Considerations that have been specified under Section 58 of the Act and approved by Parliament. Where such an investigation subsequently finds that the merger operates against the stated public interest consideration, the Secretary of State may take any of the remedial measures specified in Schedule 7 to the Act. Such measures might include blocking the merger altogether or allowing it to proceed subject to certain conditions.

Authority: The Enterprise Act (2002).

b. Corporate organisation

Aerospace/Defence: The Articles of Association of BAE Systems plc and Rolls-Royce plc provide citizenship requirements for the companies' directors and Chief Executive.

The Articles of Association of Rolls-Royce plc provide that disposals of (i) the whole or a material part of the company's nuclear business, or (ii) of the Group as a whole, require the consent of the Special Shareholder. In addition, a proposal for the voluntary winding-up or dissolution of Rolls-Royce plc requires the consent of the Special Shareholder.

Defence: Special shares are held in the following organisations: Rosyth Royal Dockyard Limited, Devonport Royal Dockyard Limited, BAES (Marine) Limited, the Atomic Weapons Establishment plc and QinetiQ establishments.

Under the Articles of Association, the special shareholder has a variety of rights relating to such issues as citizenship requirements for the company directors; control over the percentages of individual and/or foreign owned shares, and the voluntary windup, dissolution, or disposal of any strategic assets.

Authority: The Articles of Association of the above companies.

c. Government purchasing

Defence: In a limited number of cases, foreign controlled enterprises operating in the United Kingdom may not be granted defence procurement contracts, where overriding security reasons apply.

d. Official aids and subsidies

None.

II. Other measures reported for transparency

a. Investment by established foreign controlled enterprises.

Maritime transport: A ship cannot be deemed to be a "British" flag ship unless a majority interest in it is owned by British subjects or bodies incorporated under and subject to the laws of the U.K., a Crown Dependency or a Dependent Territory.

Authority: Merchant Shipping Act (1894).

b. Corporate organisation

None.

c. Government purchasing

None.

d. Official aids and subsidies

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

None.

At the level of territorial subdivisions

I. Public monopolies

Water distribution (Scotland) and subject to price regulation.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

None.

UNITED STATES

A. Measures Reported for Transparency at the Level of National Government

I. *Measures based on public order and essential security considerations*

a. *Investment by established foreign controlled enterprises*

Trans-sectoral: Under the US Omnibus Trade and Competitiveness Act, the President has the power to block a foreign acquisition which threatens to impair the national security. The President may use this power only if the President finds, after an investigation, that ; 1) there is credible evidence leading him to believe that the foreign interest might take action that threatens to impair the national security, and 2) other provisions of law (e.g. antitrust laws, Export Administration Act, Defence Production Act, International Trade in Armaments Regulations) other than the International Emergency Economic powers Act do not in his judgement provide adequate and appropriate authority to protect the national security.

Authority: Defence Production Act (1950), Section 721, as added by §5021 of the Omnibus Trade and Competitiveness Act (1988), and as amended by §837 of the National Defence Authorisation Act for Fiscal Year 1993. 50 U.S.C. App. 2170 and by the Foreign Investment and National Security Act (2007), Pub. L. 110-49.

Air transport: Cabotage reserved to national airlines at least 75 per cent owned by US citizens. Also, there are citizenship requirements for management and board of directors.

Authority: Federal Aviation Act (1958). 49 U.S.C. 41703.

Maritime services: Foreign-controlled enterprises may not engage in dredging or salvaging.

Authority: Act of May 28, 1906, Section 1, as amended (46 U.S.C. App. 292).

Mariitime transport: Foreign-controlled enterprises may not acquire, mortgage or charter vessels owned by a US citizen, documented under US law, or last documented under US law without the approval of the Secretary of Transportation. In times of war or national emergency this provision extends to shipyard facilities and controlling interests in corporations owning such facilities or US flag vessels.

Authority: 46 U.S.C. App. 1241, 1241-1.

Maritime transport: Cabotage reserved to ships owned by US citizens or companies with minimum 75 per cent ownership by US citizens.

Authority: Jones Act, Section 27 of the Merchant Marine Act (1920).

Maritime transport: Products exported pursuant to US Government loan for this purpose restricted to national flag.

Authority: 46 U.S.C. App. 1241, 1241-1.

Maritime transport: Transport of military supplies and personal effects of military and civilian employees reserved to national flag.

Authority: Cargo Preference Act of 1904 (10 U.S.C. 2631).

Radio and television, communications: For radio, broadcasting, and telephone companies in regard to common carrier radio licences, US enterprises with foreign ownership exceeding 20 per cent, aliens, and foreign corporations may not be granted the relevant licence. When a corporation is directly or indirectly controlled by another corporation, the Federal Communications Commission may refuse to approve a licence if more than a 25 per cent interest in the controlling company is foreign and if the Commission finds it in the public interest to do so. There are additional restrictions on the nationality of management that apply in the case of broadcasting companies, and telephone companies having a common carrier radio licence.

Authority: Communications Act of 1934. 47 U.S.C. §§151 et seq., see particularly §§310(b).

b. Corporate organisation

Communications: Under a 1984 law, the Department of Commerce is authorised to award a contract, through a competitive process, to a "United States private sector party" for the marketing of data from the government-owned "Landsat" system, as well as for the development and operation of a new civil and remote sensing system. A firm's eligibility for the contract awarded is predicated upon its key management and a majority of its Directors being US citizens, as well as it having a US corporate headquarters and having filed a US tax return in previous years.

Authority: Land Remote Sensing Commercialisation Act 1984. 15 U.S.C. §§4212, 4222.

c. Government purchasing

Defence: Foreign-controlled enterprises operating in the United States may not be granted a contract or subcontract involving classified information, except under special arrangements to be determined on a case-by-case basis.

Authority: US Dept. of Defence Regulation 5200.22-R, Sect. II; Executive Order 10865, 12064.

Air transport: Foreign-controlled carriers cannot compete for Federal Government contracts for international air carriage of persons or property, except in limited instances between two foreign points.

Authority: Federal Aviation Act (1958).

d. Official aids and subsidies

Maritime transport: Foreign-controlled enterprises may not: 1) obtain loan guarantees or tax deferral benefits for the financing or re-financing of the cost of purchasing, constructing or

operating commercial vessels or gear, or obtain war risk insurance; 2) sell obsolete vessels to the Secretary of Transportation in exchange for credit towards new vessels; 3) hold a preferred ship mortgage (however foreign-controlled corporations may have a preferred ship mortgage as long as a US citizen trustee holds the mortgage for their benefit); 4) purchase vessels converted by the government for commercial use or surplus war-built vessels at a special statutory sales price; 5) obtain construction-differential or operating-differential subsidies for vessel construction or operation.

Authority: Merchant Marine Act (1936), Merchant Ship Sales Act (1946).

II. *Other measures reported for transparency at the Level of National Government*

a. Investment by established foreign controlled enterprises

Trans-sectoral: To engage in certain activities, a foreign-controlled enterprise operating in the United States must meet certain requirements relating to the form of its business organisation. For example, a foreign-controlled enterprise must incorporate under the laws of one of the States of the United States in order to obtain licences to: 1) construct dams, reservoirs, power facilities and transmission lines; or 2) mine uranium. Similar state-level measures exist in some states.

Authority: 16 U.S.C. §797.

b. Corporate organisation

Energy: There are corporate organisation requirements, defining "US citizen", for a licence to own, construct or operate: (1) an ocean thermal energy conversion (OTEC) facility located in US territorial waters, documented under US laws, or connected to the US by pipeline or cable; or (2) a moving OTEC plant ship wherever located. The president or other executive officer and the chairman of the board of directors must be US citizens and the board of directors must have no more foreign citizens servicing as directors than a minority of the number necessary to constitute a quorum. In addition, there is a reciprocity provision for plant ships in the Ocean Thermal Energy Conversion Act.

Authority: Ocean Thermal Energy Conversion Act (1980). Section 1. 42 U.S.C. §9111, 42 U.S.C. §9102(18).

Banking: A majority of the directors of a national bank that is an affiliate or subsidiary of a foreign bank must be US citizens.

Authority: The National Bank Act. 12 U.S.C. §72.

Customs brokerages: To obtain a licence to operate a customs brokerage, one officer or partner of a firm must be a licensed customs broker and a US citizen.

Authority: Tariff Act (1930), 19 U.S.C. §1641(b).

c. Government purchasing

None.

B. Measures Reported for Transparency at the Level of Territorial Subdivisions

a. Investment by established foreign controlled enterprises

Ohio

Agricultural Land: Reporting requirements: Non-resident, non-US citizens foreign governments and entities controlled by foreigners organised in/or having their principal place of business in foreign nations and holding an interest in agricultural land, must file a disclosure statement with the state.

Authority: Revised Statutes, Chapter 442.

Nebraska

Agriculture: Neither foreign nor out-of-state firms may engage in farming or ranching.

Authority: Constitution of Nebraska, Article 12, paragraph 8 (1).

Illinois, Massachusetts, Florida, South Dakota

Fishing: These states regulate in some way commercial fishing by vessels owned by out-of-state residents. Most such states distinguish between state and out-of-state residents. For example, regarding commercial freshwater fishing, an alien or other non-resident must pay \$500 for a permit, while a comparable licence fee for a resident is \$40. In a few states foreigners' operations are regulated explicitly.

Hawaii

Hunting and Fishing: Only resident of the state may obtain a licence for the purpose of importing game birds for a private or commercial shooting game preserve.

Authority: Revised Statutes, Section 183D-34, 35.

Rhode Island, Connecticut

Manufacturing – Public Utilities: Rhode Island: No public utility shall sell its product in the State unless it has received a certificate from the State. The certificate shall only be given to a resident and citizen of the state or an association, all of whose members are residents and citizens of the state, or to a corporation created by a special act of the General Assembly.

Connecticut: Out-of-state electric companies must notify State officials and fulfil certain requirements before owning and operating an electric utility.

Authority: Rhode Island: Section 39-3-1, -2. Connecticut: General Statute, Section 16-246C (1989).

Connecticut, Guam, Oregon

Banking:

Connecticut: In order to acquire a Connecticut banking institution, all-out-of-state banks must meet prudential requirements and be from jurisdictions which allow Connecticut banks to acquire domestic banks on terms no less restrictive than imposed by Connecticut.

Guam: Non-territory banks received branch privileges similar to those given to a Guam bank in their jurisdiction.

Oregon: To hold property in trust, out-of-state banking firms must be incorporated or domiciled in a jurisdiction that allows Oregon banks to hold property in trust. A grandfather clause applies.

Authority: Connecticut: General Statutes Sec. 36-35; Public Act 90-2. Guam: Civil Code. Oregon: Revised Statutes, Section 713.010-110.

Rhode Island

Banking – Asset requirements: A building and loan association incorporated out-of-state must have assets over US \$100 000.

Authority: Statute, Section 19-24-1 to 6.

Minnesota, South Dakota, Massachusetts, Nebraska, New Jersey, New York, Pennsylvania, Rhode Island, Texas, Virginia

Banking – Authorisation/Notification:

Minnesota: Non-resident (foreign and out-of-state) banks must be chartered under the laws of Minnesota to do business.

South Dakota: Special requirements apply to the acquisition of shares in a bank by out-of-state bank holding companies. An out-of-state bank may not acquire shares, whereas a foreign bank not established in another state is considered as a South Dakota bank for the purpose of acquiring shares.

Massachusetts: Out-of-state banks must file a certificate to transact business, as do banks from other New England state.

Nebraska: All State chartered banks doing business in the State must be organised under Nebraska laws. Banks organised under 12 USC 21 et. seq. are not bound by this requirement.

New Jersey: Banks doing business in the State must be established in accordance with New Jersey State law.

New York: Non US Banks with world-wide assets of under \$500 million must apply for a licence to maintain a representative office. Those with over \$500 million assets need only register.

Pennsylvania: Non US Banks require written permission from the Department of Banking to establish offices.

Rhode Island: Building and loan associations must provide certain information to be licensed.

Texas: Agencies of bank corporations not organised in the US must register and obtain a licence from the State and may only maintain one office in the State.

Virginia: No foreign corporation that does not meet the requirements of Virginia law can engage in banking or in the trust business.

Most states (exceptions listed below)

Insurance – Demonstrated experience requirements: Most states require new applicants for insurance licences to have demonstrated up to five years of successful insurance experience in another jurisdiction before their application can be considered. Some states waive this requirement for companies that are newly incorporated in their state, judging the new applicant on the grounds of solvency and business experience in other fields. All states treat US branches admitted to the US market through their own state in the same manner as they treat locally incorporated companies. Firms incorporated in another state and US branches of non-US firms admitted to the US market through another US state are required to meet seasoning requirements that may have slightly longer time frames. Many states give insurance Commissioners the authority to modify or waive these requirements under certain conditions. The states which do not have such seasoning requirements are: Georgia, Idaho, Indiana, Louisiana, Michigan, Missouri, Montana, Nevada, Ohio, Oklahoma and Rhode Island. In addition, Oregon, Texas and Wisconsin impose seasoning requirements only as a matter of reciprocity, i.e. when the home state of the applying firm imposes such requirements.

California, Connecticut, Florida, Iowa, Kansas, Michigan, Montana, New Jersey, North Carolina, North Dakota, Oregon, Pennsylvania

Insurance – deposit requirements: The above states treat out-of-state firms (i.e. incorporated in another state or outside the US) differently from in-state firms with respect to deposit requirements:

California: Deposits for US branches are the same regardless of their port-of-entry state.

Connecticut: US branches must maintain assets in the US equal to their US liabilities, plus minimum capital and surplus requirements. Foreign and alien life insurance companies must maintain a surplus fund of not less than \$3 million.

Florida/Iowa/Louisiana/South Carolina: Deposit amounts are the same for domestic companies and US branches admitted to the US market through the state in question, but deposit amounts are different for foreign companies and US branches admitted through other states.

Kansas: US branches must have \$100 000 in excess of all their liabilities in the US for unpaid losses and other liabilities.

Michigan: Domestic companies must deposit \$300 000. US branches entered through Michigan must have trusteed assets. Foreign companies and US branches that enter through other states are not required to make an additional deposit. However, they may be subject to retaliatory provisions.

Montana: Foreign and alien companies must maintain deposits that are four times higher than domestic ones. Non resident insurers which have transacted insurance for less than five years in the United States must maintain an additional surplus in Montana to do business in the state.

New Jersey: Deposits are the same for all non-life companies. For life and health companies, deposit amounts for domestic companies are different for those for foreign companies and US branches admitted through another state.

North Carolina: Deposit requirements are lower for domestic companies than for foreign and alien companies. US branches must also have total statutory deposits in the US equal to the normal capital required for admission into insurance business in the state.

North Dakota: foreign and alien companies must indicate the amount and location of deposits within the US.

Oregon: There are no deposit requirements for domestic companies. A \$100 000 to \$260 000 deposit is required for foreign and alien companies on some types of insurance.

Pennsylvania: Special capitalisation requirements apply to foreign life insurance companies.

Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Kansas, Maryland, Montana, Nevada, New Mexico, New York, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, West Virginia, Washington, Wyoming.

Insurance – Licensing: These states do not issue a licence to any government owned insurance company. These restrictions apply to all out of State government owned companies, not solely those owned by foreign interests.

Illinois, Massachusetts, New Jersey, New York, Pennsylvania

Insurance – Reviews: These states issue continuous licences for insurance companies incorporated in their state but require periodic review for licences issued to other companies; in general, renewal is automatic unless a firm has unpaid premium taxes or other similar problems.

Some States

Maritime transport: Some states may restrict the operation of vessels by aliens (and out-of-state residents) through higher licence fees than those paid by state residents.

b. Tax obligations

Hawaii

Real Estate: As of January 1991, persons who are not residents of Hawaii and who sell Hawaii real property are subject to income tax withholding.

Authority: Act 213, Hawaii Sess. Laws.

Rhode Island

Banking: Building and loan associations incorporated out of state must pay a tax of 25 per cent of the difference between their deposits and investments in the state.

Authority: Statute 19.24.1 to 6.

c. *Corporate organisation*

Connecticut, Hawaii, Maryland, Michigan, Missouri, New Jersey, North Carolina, South Dakota
Banking: Residency requirements

Connecticut: At least three-quarters of the members of the governing board of a state bank and trust company must be residents of the state.

Hawaii: At least three of the directors of any bank must be residents of Hawaii at the time of their election and during their term of office.

Maryland: Only Maryland citizens who are US citizens may act as incorporators of state banks, trust companies, savings banks and savings and loan associations.

Michigan: Incorporators have to be US citizens.

Missouri: Non-resident (out-of-state and non-US) persons may not act as a trustee on a deed of trust or conveyance unless a qualified Missouri person is named as co-trustee.

New Jersey: The incorporators and directors of savings and loan associations organised in New Jersey must be US citizens.

North Carolina: Three-quarters of the directors of banks under state banking laws must be residents of North Carolina.

South Dakota: Three-quarters of a bank's board of directors must be US citizens. Moreover, the incorporators of a bank and the majority of the incorporators of a savings and loans association must reside in the state. Two-thirds of the bank's board of directors must be residents in the state and a majority must reside within 100 miles of the place of business. A majority of the board of a savings and loan association must be state residents.

Alabama, Alaska, Arizona, Arkansas, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wyoming

Insurance: In the states, the incorporators, officer and/or directors of companies incorporated in the state and/or entering through another must meet citizenship and/or residency requirements.

Florida

Trans-sectoral: Both Florida and out-of-state corporations that own real estate must maintain an office and registered agent in the state.

Authority: Florida State. 607.0505 (1989)

All States

Trans-sectoral – Registration, agent/office requirements: In conformity with the Model Business Corporation Act, all states, Puerto Rico and DC require out of jurisdiction corporations to obtain a certificate of authority to transact business in the jurisdiction. Arkansas, Kansas,

Massachusetts, Nevada and Puerto Rico require certain filings by out of jurisdiction corporations, but do not provide specifically for a certificate to be issued. All jurisdictions, except Connecticut, Puerto Rico, Massachusetts, Maryland, New York, Oregon, Pennsylvania and West Virginia require out of jurisdiction corporations to maintain a registered principal office and a registered agent in the state. Maryland, Puerto Rico and Virginia require the agent to be either an individual or an in-state corporation.

Authority: Model Business Corporation Act, annotated third addition.

d. Government purchasing

None.

C. Activities Covered by Public, Private, Mixed Monopolies or Concessions

At the level of national government

I. Public monopolies

Certain postal services (only the U.S. Postal Service may carry letters for compensation, except in special circumstances specified in postal regulations).

II. Private or mixed (public/private) monopolies

The Communication Satellite Corporation was established by the Communications Satellite Act of 1962 as a private corporation to establish and operate a commercial satellite system. Under the Act, not more than an aggregate of 20 per cent of the shares of its stock which are offered to the public may be held by aliens, foreign governments, or foreign-owned, registered or controlled corporations. However, other companies with the authorisation of the Federal Communications Commission may provide customised business international communications services by satellite.

III. Concessions

None.

At the level of territorial subdivisions

I. Public monopolies

None.

II. Private or mixed (public/private monopolies)

None.

III. Concessions

In some States there are activities subject to monopoly (e.g. public utilities, liquor sales) but the situation varies from state to state.